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SURVEY of Current Affairs

Government and Administration

By-elections and State of the Parties 83
Renewal of Prevention of Terrorism Act 83
Northern Ireland 84

External Affairs and Defence

European Integration 86
Europe and the United States: Trade Relations 87
Intermediate-range Nuclear Forces 88
Middle East 90
Southern Africa 91
Central America 92
Shorter Notes
British-Soviet Credit and Financial Agreement 93; British Aid to East Africa 94

Economic and Scientific Affairs

International Monetary Agreement 95
Local Government Finance 96
Developments in Wales 97
British Airways Flotation 98
British Design Awards 100
Trade Unions 100
Agricultural Land and the Rural Economy 102
Nuclear Energy 104
Shorter Notes
Banking Bill 105; Regulation of Lloyd's 106; Rover Group Corporate Plan 106;
Agricultural Development and Advisory Service 106;
Liberalisation of Telecommunications Services 107
Research Expenditure Review 107; Anglo-Japanese Space Venture 108;
Anti-fouling Paints 108

Social and Cultural Affairs

Health Developments in Cancer Screening and AIDS Research 109
Computers in Schools 110
The Youth Service 110
Radio Broadcasting 113
Shorter Notes
Belfast Initiatives 114; Measures to Combat Football Hooliganism 114

Documentation 115

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GOVERNMENT AND ADMINISTRATION

By-elections and State of the Parties

Details of the result of two recent parliamentary by-elections and the present state of the parties in the House of Commons are given below. The Liberal-Social Democratic Alliance won the seat at Greenwich and retained its seat at Truro in parliamentary by-elections held respectively on 26 February and 12 March.

At Greenwich the Alliance candidate, Mrs Rosemary Barnes, won by a majority of 6,611 votes and in Truro the Alliance candidate, Mr Matthew Taylor, won by a majority of 14,617 votes.

The by-elections were caused by the deaths in December 1986 of the sitting members of Parliament: Mr Guy Barnett, Labour MP for Greenwich, and Mr David Penhaligon, Liberal MP for Truro.

The results of the by-elections were as follows:

Greenwich

R. Barnes (Social Democratic-Liberal Alliance)	18,287
D. Wood (Labour)	11,676
J. Antcliffe (Conservative)	3,852

Five other candidates between them received a total of 698 votes; all lost their deposits. Votes were cast by 68·4 per cent of the electorate.

At the general election in June 1983, when 67·7 per cent of the electorate voted, the seat was held by the Labour Party with Mr Barnett polling 13,361 votes, followed by the Conservative candidate with 12,150 votes, and the Alliance candidate with 8,783 votes.

Truro

M. Taylor (Liberal-Social Democratic Alliance)	30,599
N. St Aubyn (Conservative)	15,982
J. King (Labour)	3,603

Two other candidates between them polled a total of 478 votes; both lost their deposits. Votes were cast by 70·2 per cent of the electorate.

At the general election in June 1983, the Alliance held the seat with Mr Penhaligon polling 31,279 votes, followed by the Conservative candidate with 20,799 votes, and the Labour candidate with 2,479 votes. Votes were cast by 79·6 per cent of the electorate.

State of the Parties

Following the by-elections, the state of the parties in the House of Commons is now as follows:

Conservative	391
Labour	206
Liberal	19
Social Democratic	8
Scottish National	2
Plaid Cymru (Welsh Nationalist)	2
Ulster Unionist (Northern Ireland)	10
Democratic Unionist (Northern Ireland)	3
Ulster Popular Unionist (Northern Ireland)	1
Social Democratic and Labour (Northern Ireland)	2
Sinn Fein (Northern Ireland)	1
Independent[1]	1
TOTAL	646

The four remaining seats are held by the Speaker of the House of Commons and his three deputies (the Chairman of Ways and Means and the first and second Deputy Chairmen of Ways and Means) who do not vote except in their official capacity in the event of a tie. The government majority over all other parties is 136, although the Sinn Fein MP has not taken his seat.

Renewal of Prevention of Terrorism Act

The Prevention of Terrorism (Temporary Provisions) Act 1984 was renewed for a further 12 months on 10 February by the House of Commons.

An Order to renew the Act was passed by 184 votes to 91. The present Act is the third of its kind, the first having been introduced in 1974.

Home Secretary's Speech

Opening the debate on the Order (*Hansard*, Vol 110, No 50, cols 263-86), the Home Secretary, Mr Douglas Hurd, said that no-one in the House disagreed about the distinctive evil of terrorism – 'the attempt to influence political thinking not by argument or persuasion but by killing, maiming or frightening innocent people'. The argument in the House concerned whether special powers were needed by the police and the Government to deal with terrorism. In the Government's view the new Order was a necessary part, although only a part, of the armoury against acts of terrorism which could threaten a free society.

[1]Mr J. Ryman, MP, who resigned from the Labour Party in February 1987 and now sits as an independent.

The powers in the Act were exceptional but, as a counterbalance, it was subject to unusually close scrutiny and frequent review. Once a year Parliament had the opportunity to decide whether the Act should continue in force and its operation was closely monitored by an independent person appointed specially for the task. The Government accepted the wisdom which had led Parliament to press three years ago for this independent review.

The detention powers provided by the Act, as opposed to the ordinary powers of the criminal law, were necessary to 'enable the police to prevent horrors before they happen'. People so detained in 1986 numbered 202 in Great Britain and 1,309 in Northern Ireland. In Great Britain, about a quarter of the detentions related to suspected involvement in international terrorism.

Turning to the other controversial power under the Act – the power to exclude an individual from part of the United Kingdom – Mr Hurd described it as extraordinary and severe and one which could only be used very sparingly in a free society. All applications by the police for exclusion from Great Britain were personally considered by the Home Secretary and strict tests were applied since he needed to be satisfied that the individual concerned was or had been involved in the commission, preparation or instigation of an act of terrorism. In December 1986 the number of exclusion orders in force in Great Britain was 114 compared with 212 a year before. This reduction had, in part, come about because he had turned down about half the applications for renewed orders. Moreover, there was provision for an individual concerned to make representations against an order which were then considered by an independent adviser. Although the power had to be used sparingly, the Government could not accept that it should be done away with altogether.

Concluding, Mr Hurd said that the Act was now over half way through its five-year life and that consideration would have to be given to what should take its place once it expired in 1989. The Government had not yet considered the Act's long-term future, but it was essential for the House to approve the Order so that these powers could continue. 'It is essential not because these are attractive powers but because they are necessary for the protection of the community.'

Opposition Views

The official Opposition spokesman on home affairs, Mr Gerald Kaufman, said that the debate was about the method of fighting terrorism and not whether it should be fought. The question was whether the continuance of the Act, which made substantial inroads on civil liberties, could be justified by its achievements. Some 95 per cent of those detained under the Act had been completely innocent of anything and the Government had failed to demonstrate that the other 5 per cent would not have been caught without this legislation on the statute book. In eroding basic civil liberties the Act handed free of charge a victory to those whose objective it was to destroy them.

Speaking on behalf of the Liberal-Social Democratic Alliance, Mr Alex Carlile, said that a very difficult balance had to be drawn between the civil liberties of people and the protection of the public. On balance, however, he felt that the Government had to be supported on this occasion.

Government Reply

Winding up for the Government, Mr David Waddington, Minister of State at the Home Office, stressed that the purpose of the powers was to prevent the commission of offences and to deprive people of the chance of letting off bombs. Exclusion was a preventive measure, was used with great discretion, and the Government was not yet convinced that it was a power that could be abandoned without subjecting the public to increased risk.

Northern Ireland

A draft Order amending, among other things, the law in Northern Ireland relating to the notification of public processions and open air public meetings was approved by the House of Commons on 10 March.

The Order

The draft Public Order (Northern Ireland) Order 1987 amends and consolidates public order legislation in Northern Ireland in the light of recommendations by the Chief Constable of the Royal Ulster Constabulary (RUC) and of developments in Northern Ireland since the law was last amended 15 years ago. In doing so it takes account wherever possible of the changes made in public order legislation in Great Britain by the Public Order Act 1986 (see pp 33-5).

The requirement to give notice of public processions will extend to all processions so as to enable the police to bring prosecutions against those who have previously defied the notification requirement by claiming that their processions were 'customary'. The period of notice – seven days – is the same as that in the rest of Britain. In response to representations the Government has agreed that the draft Order should be amended to facilitate spontaneous processions (for example to welcome home a successful sports team) where it is not reasonably practical to give seven days' notice, and to confer on the Secretary of State a power to exempt classes of processions such as Salvation Army processions from the scope of the notification requirement. In the particular circumstances of Northern Ireland where so many marches take place each year, a general requirement to notify all processions is considered necessary if the police are to be able to make appropriate dispositions to keep the peace.

The draft Order also updates the law against stirring up hatred or arousing fear and is designed to bring Northern Ireland law in line with that applying in the rest of Britain. In the Government's view the existing law has not proved sufficiently effective in keeping the terms of public debate within the bounds which most people would regard as appropriate.

Another provision repeals the Flags and Emblems (Display) Act (Northern Ireland) 1954.

Parliamentary Debate

In a debate on the Order in the House of Commons on 10 March (*Hansard*, Vol 112, No 69, cols 217-48), the Secretary of State for Northern Ireland, Mr Tom King, said that it represented no change in public

policy towards marches, processions and open air meetings. The Government believed that the overwhelming majority of people in Northern Ireland wanted to see marches conducted in a responsible way, and of 2,200 that took place in 1986, some 2,100 had raised no public order problems of any gravity. Nevertheless all marches made demands on police manpower and organisation and it was fair to give reasonable notice to the police so that they could make the necessary arrangements. 'In no sense', Mr King emphasised, 'is this having to ask permission but rather giving fair notice so that the necessary police arrangements can be made and any queries raised, should there be in any case difficulty over the route chosen.'

Dealing with criticisms that the Order enormously increased the powers of the police and the Secretary of State, Mr King said that it conferred no new powers on the police although it did put the existing common law power to impose conditions on open air public meetings on a statutory basis and redefined the grounds on which certain of their powers could be exercised. The only new power conferred on the Secretary of State was that of exempting specified classes of procession from the notification requirements.

Mr King said that in one respect the Order was different from previous Northern Ireland legislation and from that applicable in the rest of the United Kingdom, namely the requirement to give notice for processions which were customarily held in a particular area or along a particular route. Because, in Northern Ireland, traditional parades could become the focus of disorder even though that was not necessarily the intention of the organisers, the Government felt it necessary to include customary parades in the ambit of the requirement to give notice.

Noting that the Order maintained the power to ban a procession in consequence of information furnished to the Secretary of State by the Chief Constable or for any other reason, Mr King stressed that it would not be appropriate to exercise that power without information and advice from the Chief Constable.

Referring to the incitement provisions, Mr King said that they effectively reflected the provisions of the Public Order Act 1986. Although the Order encompassed an additional element about fear and religious belief, these things had been in Northern Ireland legislation since 1970.

On the issue of flags and emblems, Mr King emphasised that the Union flag was the official flag of the United Kingdom and would continue to be the flag flown from public buildings on public occasions. There was no question of the Irish tricolour being given any status by the repeal of the 1954 Act. The peaceful display of any flag would continue to be protected but the police would retain their right under common law to take whatever steps were necessary to prevent a breach of the peace arising from the provocative display of any flag or emblem.

In conclusion Mr King said that the Order contained nothing that any responsible person in Northern Ireland need fear. 'Rather it is to be welcomed by all who wish to see honourable traditions maintained and exercised, free of abuse, intimidation and fear, and who recognise the need to support the RUC and for it to have the necessary and appropriate powers to maintain the peace and to protect the law-abiding people of Northern Ireland.'

Opposition Views

Speaking for the official Opposition, Mr Peter Archer said that the Order could not be supported since the Government had failed to distinguish between proposals that could be adequately discussed by way of an unamendable order and proposals which by reason of their importance, their impact on human rights and the necessity of striking the right balance in each case, required fuller discussion in the House, which was the only forum where they could properly be discussed.

Views of Northern Ireland Members

The spokesman for the Northern Ireland Social and Democratic Labour Party, Mr Seamus Mallon, said that he would vote reluctantly for the Order. Although everyone had the right to make a peaceful protest, those charged with administering society had a responsibility to protect the weak and the defenceless and not to bolster the bully, the bigot or the triumphalist. Too many marches in Northern Ireland were a statement of ascendancy by one section of the community over the other.

None of the members representing the Unionist parties spoke in the debate.

EXTERNAL AFFAIRS AND DEFENCE

European Integration

Britain's commitments to the Council of Europe and the Western European Union were reaffirmed by Mr Tim Eggar, a Parliamentary Under-Secretary of State at the Foreign and Commonwealth Office, in a speech on 13 February.

In a debate in the House of Commons (*Hansard*, Vol 110, No 25, cols 634-8) on the Council of Europe and the Western European Union (WEU), Mr Eggar said that it was important to bring to public attention the work of these two organisations and, in particular, their roles in the process of European integration.

Council of Europe

Noting that Britain was a founder member of the Council of Europe,[1] Mr Eggar reaffirmed that British commitment to its ideals remained as strong as ever. Britain saw the Council as a focus for the unity of democratic Europe and as a forum in which like-minded European democracies could work for improvements in the conditions of life, the development of human values and the maintenance of human rights; it provided a valuable framework for intergovernmental activities in areas where the widest possible co-operation was desirable and its Parliamentary Assembly offered a unique meeting-place where elected representatives of the 21 member states could discuss matters of mutual concern and make recommendations for action by governments.

The activities of the Council, Mr Eggar continued, were wide ranging, covering culture, education, sport, health, social questions, crime and drug prevention, legal affairs, local and regional authorities, youth affairs and the improvement of the environment, and Britain actively participated in all these. There were over 120 valuable European Conventions, the foremost being the 1950 Convention for the Protection of Human Rights and Fundamental Freedoms, which Britain was the first country to ratify. The Convention, which was a touchstone for the democratic freedoms that Western Europeans were enjoying, was more than a list of fundamental rights, since it provided arrangements whereby individuals and states could seek redress against alleged violations of those rights through reference to the European Commission of Human Rights and the European Court of Human Rights. Britain's decision in 1986 to renew the right of individual petition to the Commission and its recognition of the compulsory jurisdiction of the Court was evidence of its support for the system of protection guaranteed by the Convention.

An important contribution to the promotion of co-operation among Western European countries, Mr Eggar said, was made by the periodic specialist conferences of ministers held under Council of Europe auspices, of which seven took place in 1986 covering labour, equality between men and women, justice, sport, local government, mass media and terrorism. As a result of the conference on terrorism (see p 320, 1986), ministers agreed to improve co-operation in counter-terrorism. Another important feature of the Council which had assumed special significance with the enlargement of the European Community was the opportunity for consultation between the Community and non-Community members of the Council, at which informal exchanges of views on international questions could be pursued. It was important that the work of the Council of Europe and of the European Community was effectively co-ordinated to avoid duplication of effort so that the Council could concentrate on those areas to which its membership was most suited.

Mr Eggar pointed out that Britain was one of the four major contributors to the Council's budget, giving over £5·5 million in 1985-86. Although the Government had adopted a policy of zero real growth in relation to the budgets of all international organisations, it had no wish to curtail the valuable activities of the Council but rather to encourage it to approach its programme selectively, giving the highest priority to those activities that would produce the greatest benefits and ensuring that the available resources were allocated in the most cost-effective way.

Western European Union

The essence of the WEU, Mr Eggar said, was the commitment in article 5 of the revised 1954 Brussels Treaty whereby all seven signatories (Belgium, Britain, France, the Federal Republic of Germany, Italy, Luxembourg and the Netherlands) undertook to provide assistance in the event of an attack on any one of them, a commitment to common defence stronger and more binding than the commitment under the North Atlantic Treaty. It also had an obligation for Britain, unique in its history, to maintain an army and an air force on the European continent in peacetime. The WEU embodied the fundamental commitment of Britain and its partners to collective security, set firmly within the framework of the Atlantic Alliance, and did not seek to duplicate the work of the Alliance but rather to reinforce it by ensuring that the European contribution was co-ordinated and coherent. The WEU was also the only European forum in which

[1]As well as Britain, the membership of the Council of Europe consists of the other 11 members of the European Community and Austria, Cyprus, Iceland, Liechtenstein, Malta, Norway, Sweden, Switzerland and Turkey.

both foreign and defence ministers could meet for consultations on security, approximately every six months since the Brussels Treaty was reactivated in 1984 (see pp 402-4, 1984). The ministerial meeting in November 1986 was significant in providing the opportunity to consider the implications for Europe of the outcome of the Reykjavik summit (see pp 345-7, 1986), and Britain's partners in the WEU had welcomed the understanding on arms control issues reached between Britain and the United States after the summit as being in the interests of Europe as a whole (see pp 385-6, 1986 and p 51).

The Government also attached considerable importance to the Assembly of the WEU.[1] It was the only European body specifically empowered by treaty to debate security and defence questions and therefore had unique possibilities to generate better public understanding of the issues involved. The dissemination of the Assembly's reports could be of assistance in this, and it was important that, through dialogue with the Assembly, governments' views could become more widely known and form an essential element of the debate.

Mr Eggar said that the British Government supported the need to ensure adequate financing of the WEU and would continue to do so and agreed that the changes in the WEU as a result of its reactivation in 1984 should continue unhindered until the end of 1987 when a review of its performance could then be undertaken. 'Our aim', he said, 'is to get the WEU established as the focal point of the European defence identity and to ensure that its working methods are soundly based for this purpose. Once the review is complete, we shall be able to turn our full attention to the question of the possible future enlargement of the organisation. In doing so, we shall have to reflect carefully on the serious treaty obligations to which potential new members must commit themselves and to ask whether these could be undertaken.'

Europe and the United States: Trade Relations

Aspects of the trading relationship between the European Community and the United States provided the theme for a speech by Mrs Lynda Chalker, Minister of State at the Foreign and Commonwealth Office, in February.

Opening her speech to the International Management Development Institute on 18 February, Mrs Chalker said that there was no substitute for a close relationship between Western Europe and the United States, which shared not only a common heritage but also a common outlook on the world. Above all they shared common values which they were determined to defend, preserve and advance. 'On both sides of the ocean we sleep more peacefully in our beds because we are confident in the links of security and prosperity which bind us. We embody interdependence.'

There were, however, changing political assumptions on both sides, which posed new challenges to the relationship. In Europe, the irreversible process of integration continued apace and was reflected in the recent enlargement of the European Community to 12 member states and in the passage of the Single European Act to update the Treaty of Rome and facilitate ever-closer co-operation (see pp 143-4, 1986). Both Europeans and Americans had to be determined to exploit the potential of European unity in support of common goals, and while a single European voice might not always be in agreement with the United States view on a foreign policy issue, there was no disputing the fundamental point that a stronger Community meant a stronger North Atlantic Alliance.

Trade

Outsiders observed Europeans and Americans united by their political interests, but apparently divided by their trading policies, Mrs Chalker said. Mutual need in the political field seemed to be discarded when it came to the world of trade. Trade disputes obviously reflected the fact that in 1986 the United States trade deficit with the rest of the world had been $US 170,000 million, nearly $US 30,000 million of which had been with Europe. The deficit with Japan had been $US 58,000 million and there had been trading deficits with many other countries including Canada ($US 15,700 million) and Taiwan ($US 10,700 million). Something was clearly wrong, and part of the problem at least had to lie in what had been happening in the United States economy. It was not primarily a problem of market access, but one of macroeconomics and required macroeconomic responses. At the heart of the United States trade problem was the fiscal deficit. In recent years the United States had insisted on borrowing more than it saved and on attracting capital from overseas. Such practices led to a trade deficit and without action to reduce the fiscal deficit, this would persist. During the last month of 1986, however, the United States trade deficit had begun to decline and it was possible that things were starting to change.

European trading practices were fair, Mrs Chalker continued. Europe and the United States were not adversaries in trade, but dependent on each other and on the open trading system: 22 per cent of the Community's exports went to the United States and 23 per cent of United States exports to the Community; they shared 30 per cent of world trade; overall bilateral trade in 1985 had reached $US 105,000 million; and the Community was by far the biggest market for United States agricultural exports.

Mrs Chalker pointed out that, due largely to a British initiative at the Tokyo Economic Summit in 1986 (see pp 147-9, 1986), agriculture was now a key issue in multilateral trade negotiations. The United States and the Community both recognised that something had to be done to reduce production in major surplus commodities, and, as major producers, it was up to them both to give a lead. Figures showed that agricultural support was too high: $US 26,000 million in

[1]The Assembly, which meets twice a year in Paris, consists of 178 delegates who are also the delegates of the WEU countries to the consultative Parliamentary Assembly of the Council of Europe. The British contingent is 18 representatives and 18 substitutes drawn from the House of Commons and House of Lords. The Assembly has a number of committees, including committees on defence and armaments, general affairs and administration, and aerospace.

the United States and $US 23,000 million from the Community budget in Europe. It was increasingly difficult and expensive to dispose of every ton of the surpluses on world markets and in the meantime they went on accumulating. While nobody could deny that the Common Agricultural Policy had very major faults, which the Community was trying with enormous determination to correct, Europe could not be made the scapegoat for the world food surplus problem. All forms of support, and not just the most obvious subsidies, had to be tackled.

The United States criticised the Community for its subsidies and for poaching world export markets, but the facts did not bear this out. The United States and the European Community competed with each other in third markets over only one-quarter of American farm exports, and the United States still enjoyed a substantial agricultural surplus with the Community.

The European Community had made a start on reform, with action on prices and quantities. The changes in the beef and dairy regimes, agreed under the British Presidency in December (see p 14), amounted to the most far-reaching reforms in the Common Agricultural Policy ever made, and the European Commission had made radical price proposals for 1987. Europe now looked to the United States to match these reforms.

Mrs Chalker recalled that the long-running dispute over the effects of the enlargement of the European Community had now been settled, showing that Americans and Europeans had to and could solve their problems without resorting to the sort of mutual retaliation that could only damage both their trading interests.[1]

Another problem – yet to be solved – concerned the European Airbus project. The United States was complaining of unfair subsidisation of the European aircraft industry, but ignored the heavy subsidisation by its own Defence Department which had helped the United States secure 80 per cent of the world civil aviation market. In this case, European governments were doing no more than the United States Government. Where a problem existed, Mrs Chalker said, the answer was to talk about it rather than resorting to retaliation and protectionism.

Protectionism

Governments recognised the dangers of protectionist measures and of damaging economic retaliation, but the pressures that brought them about were understandable. Recent such measures, introduced by the United States Congress, were merely 'quick fixes' for anxious United States manufacturers. Europe and the United States had to remember their international obligations to an open trading system. As a recent congressional analysis had shown, protectionist measures offered few long-term gains: they hurt the consumer and ultimately the industries they sought to protect.

[1]The dispute centred on United States demands for trade concessions to offset losses claimed to have been suffered by American farmers after Spain and Portugal joined the European Community. An agreement reached on 30 January allowed for reduced levy quotas for Community imports of corn and sorghum, and reduced duties charged on imports of certain other agricultural and industrial goods. Britain welcomed the settlement of the dispute which would not only have had extremely damaging consequences for European Community-United States trade, but for the multilateral trading system generally and for the progress of the new round of multilateral trade negotiations in the General Agreement on Tariffs and Trade (GATT).

In Britain, the Government had needed to resist pressure for protectionism and this had meant some painful adjustment. However, the results in terms of jobs, increased productivity, lower inflation, and improved trade figures showed that it had been right.

Concluding, Mrs Chalker said that the United States and Europe had more to lose than to gain by going their separate ways. They had too much in common in terms of both economic and political interests. It was by developing the trading relationship rather than destroying it that both could contribute to the growth of the world economy. Both the United States and Europe had played a crucial role in the launch of a new round of multilateral trade negotiations in Uruguay in September 1986 (see pp 328-9, 1986) and had a joint interest in the current round of GATT negotiations. Their objective had to be a real partnership in economic as well as in political affairs.

Intermediate-range Nuclear Forces

Britain has welcomed the progress made in the Geneva arms control negotiations following proposals made by the United States and the Soviet Union for the reduction of intermediate nuclear forces (INF) in Europe.

Background

Intermediate-range nuclear forces include all systems (air- or land-based) that fall between short-range and strategic forces and can be subdivided between longer-range and shorter-range systems. The latter have a maximum range of about 1,000 km. Short-range nuclear forces are artillery and missiles with a range of less than about 150 km; they are sometimes known as battlefield weapons.

Negotiations have focused on the problem of land-based INF missile systems. The Soviet Union has a total of 441 SS20 nuclear missiles, each having three warheads and a range of about 5,000 km; 270 of these missiles are facing Western Europe. It also has 650 SS22 and SS23 missiles with a range of up to 1,000 km, some 200 of these being deployed in Eastern Europe. Of 572 cruise and Pershing 2 missiles planned by the North Atlantic Treaty Organisation (NATO) to be deployed in Western Europe by 1988, 128 cruise and 108 Pershing 2 missiles (which carry single warheads and have maximum ranges of 2,500 km and 1,800 km respectively) have so far been installed; 96 of the cruise missiles have been deployed in Britain (with a further 64 cruise missiles planned to be deployed in 1987). NATO also has some shorter-range INF comprising 72 Pershing 1 missiles which have a maximum range of 720 km.

The Proposals

On 2 March the Soviet Union put forward proposals following a statement made by the Soviet leader, Mr Mikhail Gorbachev, on 28 February in which he suggested that the problem of INF forces in Europe could

be the subject of a separate agreement, based on the draft accord worked out with the United States at Reykjavik (see pp 345-7, 1986) and without being linked to an agreement on the United States Strategic Defence Initiative (SDI) which the Soviet Union had insisted on hitherto. This would involve the elimination of United States and Soviet longer-range INF missiles in Europe within the next five years; the reduction of Soviet longer-range INF missiles in Soviet Asia to 100 warheads on the understanding that the same number could be placed in the United States; the withdrawal [after the signature of an agreement] of Soviet shorter-range INF missiles from the German Democratic Republic and Czechoslovakia which had been placed there in response to the planned deployment of cruise and Pershing 2 missiles in Western Europe; and an offer to negotiate the reduction and elimination of other Soviet shorter-range INF missiles.

On 5 March the United States President, Mr Ronald Reagan, described the change in the Soviet position as a 'great breakthrough'. Earlier at the Geneva negotiations on 4 March the United States presented a draft treaty, based on the formula provisionally agreed to at Reykjavik, which would involve the withdrawal of Soviet and US longer-range intermediate nuclear systems in Europe within five years, verification measures and a commitment to negotiate an agreement on shorter-range INF systems. The verification measures in the draft treaty include the use of national technical means (such as satellites); the specification of areas and facilities where the permitted missiles outside Europe would have to be kept; reciprocal exchange of data; special procedures for the destruction and dismantling of longer-range INF systems or their conversion into shorter-range ones; and on-site inspection and monitoring of the agreement, including the permanent monitoring of US and Soviet facilities for the production, final assembly, repair and storage of treaty-limited systems.

Foreign and Commonwealth Secretary's Statement

In a statement issued on 2 March, the Foreign and Commonwealth Secretary, Sir Geoffrey Howe, welcomed Mr Gorbachev's proposals and the Soviet Union's acceptance of the idea of an INF agreement based on the zero option which the Alliance had first put forward in 1981 (see pp 359-61, 1981); this justified both the West's approach at the Geneva negotiations and its decision to deploy its INF. The Soviet leadership also appeared to have broken the link between an INF agreement and SDI, something which Britain and its allies had repeatedly urged. Finally, the Soviet statement made no reference to the British and French independent nuclear deterrents, justifying Britain's long insistence that these systems should be excluded from the US-Soviet negotiations. However, Sir Geoffrey warned that the West would have to look carefully at the fine print, particularly with respect to verification and the arrangements for shorter-range INF. Noting that in November 1986 the Prime Minister, Mrs Margaret Thatcher, and the US President had identified an INF agreement as one of the top priorities for arms control (see p 385, 1986), he concluded that its achievement could transform for the better the whole atmosphere in which arms control talks and relations between East and West were conducted.

Parliamentary Debate

Reviewing the INF negotiations in a debate in the House of Commons on 9 March (*Hansard*, Vol 112, No 68, cols 28-79), the Secretary of State for Defence, Mr George Younger, said that the 1979 decision to modernise the Alliance's INF in Europe while at the same time seeking an arms control agreement with the Soviet Union epitomised the British Government's approach to security – a determination to provide the defence forces that were necessary, together with a willingness to reach arms control agreements that would provide for security at lower levels of weapons. That decision (see pp 10-14, 1980) was taken because of the threats posed by the gross imbalance then (as now) of conventional forces in favour of the Soviet Union and the continuing Soviet deployment of Backfire aircraft and SS20 nuclear missiles which could strike targets throughout Western Europe. NATO's capability at that time had consisted mainly of United States' F111 aircraft which were becoming vulnerable to attack on the ground and which faced increasing Soviet air defences.

As a result of NATO's firm resolve to go ahead with its INF deployment, the Soviet Union had agreed in 1981 to take part in negotiations during which NATO had put forward proposals for a total ban on all longer-range INF missiles (the 'zero option'). Because of the unwillingness of the Soviet Union to undertake such a radical step, NATO had then tabled a series of interim offers between 1983 and 1986 that provided for global equality at levels above zero. The agreement at Reykjavik was close to the original NATO proposal of global zero, but with the important concession of allowing the Soviet Union to retain 100 SS20 warheads in Soviet Asia and the United States a similar number on its territory.

The Soviet response to these offers was first to pretend that there was already a balance in INF by distorting the figures and including the quite different strategic deterrents of Britain and France, then to withdraw from the negotiations in 1983 (see pp 418-19, 1983), and, when that did not work, to return to them in 1985 (see p 12, 1985). In 1986 the Soviet Union had offered a zero solution in Europe that would have allowed the Soviet Union to keep 500 SS20 warheads in Asia which could return rapidly to Europe at a time of tension (see p 87, 1986). When the Soviet Union agreed at Reykjavik to the zero-100 solution, it then declared that it could not go ahead with an agreement without a solution to the SDI question, even though it had agreed at the Geneva summit in 1985 that an INF deal could be agreed independently of the other negotiations. Britain welcomed the fact that this barrier to progress, too, had been set aside. On the Soviet attempts to involve the British and French deterrents in the INF negotiations, Mr Younger pointed out that NATO had made it clear throughout that these systems had nothing to do with negotiations concerning land-based intermediate-range US and Soviet systems, a view accepted by Mr Gorbachev at Reykjavik.

It was obvious, Mr Younger continued, that many of the Soviet proposals had been tabled in the hope of undermining support for NATO's INF deployments and its negotiating positions. Britain and its NATO allies, however, had been clear in their determination to proceed with the deployments unless an equitable

deal could be reached. The Alliance would have got nowhere in the negotiations if it had not been determined to deploy cruise and Pershing 2 missiles. That determination had led to a position today where an outline of a deal could be seen that would remove 90 per cent of the Soviet SS20 threat.

A number of important issues still had to be resolved, however, and serious and detailed negotiations were required if an agreement was to be reached. There was the question of shorter-range INF in which the Soviet Union had a superiority of about 9 to 1. The range of these missiles, between 150 and 1,000 km, was important because it allowed those in the Warsaw Pact countries to reach almost all targets in Western Europe while similar missiles held by NATO would be incapable of reaching targets in the Soviet Union. If they were unconstrained by a longer-range INF agreement, especially one banning longer-range INF in Europe, deployment of these shorter-range missiles would undercut any agreement. Since 1982 NATO's negotiating position had been that an INF agreement should include constraints on Soviet missile systems of the 500- to 1,000-km range (SS22 and SS23 missiles), and the Alliance had called for a ceiling on these, together with a United States right to match them. It was an essential condition of any equitable INF agreement, but the Soviet offer for negotiations on systems of 1,000 km and below did not provide what was required to prevent such an agreement from being undercut by deployments of shorter-range missiles. Therefore, in the event of an INF agreement being reached, it would be important that it was followed by negotiations aimed at addressing the shorter-range INF imbalance. Mr Younger also pointed out that the reduction in the levels of nuclear weapons would also increase the importance of eliminating conventional disparities.

Another issue to be resolved was verification. While general statements by the Soviet Union of its willingness to accept on-site inspection were to be welcomed, specific and detailed provisions on how inspections could be done would have to be included if an agreement was to be effectively verifiable.

Opposition Views

The official Opposition foreign affairs spokesman, Mr Denis Healey, said that evidence about fundamental changes in Soviet foreign policy was overwhelming and encouraging. The Soviet Government now accepted that it was impossible to achieve military superiority in an arms race. Noting that NATO had put forward the zero option in 1981, Mr Healey said that one would have expected the Western Alliance to give the Soviet Union's proposal an immediate, unanimous and positive response. Disarmament would be achieved step by step and, if the first was not taken, others would not follow. The first step had to be agreement on longer-range INF and then shorter-range systems could be the subject of discussion. If this could be achieved, substantial cuts in conventional forces would be needed to provide a much better conventional balance.

The spokesman for the Liberal/Social Democratic Alliance, Mr John Cartwright, said that Mr Gorbachev's announcement on 28 February had demonstrated the validity of NATO's 1979 twin-track decision and confirmed the belief that progress in disarmament was less likely to result from great moral gestures than from patient, tough and determined negotiation. The zero option represented a good deal for Western Europe. The Government was right to be cautious, and much more negotiation was needed before an agreement could be signed. It should not, however, try to link an INF deal to other important issues which had to be the subject of separate negotiations. An INF agreement would be an important confidence-building step and the Government needed to throw its full weight behind the effort to secure the zero option.

Middle East

Britain has joined its partners in the European Community in expressing support for the idea of an international peace conference, under the auspices of the United Nations, in a renewed effort to advance the Middle East peace process and help bring about the restoration of economic and social development in the region.

The European action was announced in a statement issued at a meeting of foreign ministers of the twelve member states in Brussels on 23 February, convened to discuss the problems of the Middle East against a background of continuing tension and conflict in the area. The statement marks the first major European initiative on the Middle East since the Venice declaration of 1980 (see pp 202-3, 1980), which stated that a settlement to the Arab-Israel dispute should be based on the recognition of the Palestinians' right to self-determination and the right of all states in the area, including Israel, to a secure existence. It also said that the Palestine Liberation Organisation (PLO) would have to be associated with negotiations and that Israeli settlements in the occupied territories constituted a serious obstacle to the peace process and were illegal under international law.

Since 1980, support for an international conference on the Middle East has been expressed by a number of countries, including Egypt, Jordan and the Soviet Union, and was included in proposals for peace put forward by Jordan and the PLO in 1985 (see p 311, 1985). The Secretary of State for Foreign and Commonwealth Affairs, Sir Geoffrey Howe, outlined Britain's views on the issue in January (see pp 53-4).

European Statement

In their statement, the Twelve reiterated their profound conviction that the search for peace in the Middle East remained a fundamental objective and that they were deeply concerned at the absence of progress in finding a solution to the Arab-Israeli conflict. They had stated the principles on which solutions should be based on several occasions, in particular in their Venice declaration. The Twelve declared that they were in favour of an international peace conference to be held under the auspices of the United Nations with the participation of the parties concerned and of any party able to make a direct and positive contribution to the restoration and maintenance of peace and to the region's economic and social development. Such a conference would provide a suitable framework for negotiations

between the parties directly concerned and the Twelve stated that they would endeavour to make an active contribution, both through the Presidency and individually, to bringing the positions of the parties concerned closer to one another.

Without prejudging future political solutions, the Twelve further expressed their wish to see an improvement in the living conditions of the inhabitants of the occupied territories, particularly regarding their economic, social, cultural and administrative affairs, and added that the Community had already decided to grant aid to the Palestinian population of the occupied territories and to allow certain products from those territories preferential access to the Community market (see p 54).

Britain's Views

At a press conference in Brussels on 23 February Sir Geoffrey Howe said that the Twelve had not attempted to draw up a European blueprint for resolving the Arab-Israel dispute. However, it had seemed vital to reaffirm those principles that had to lie at the heart of any durable settlement. In essence, peace would only come when all the parties concerned were willing unambiguously to recognise each other's rights; the right to security and existence of all states in the area, including Israel; and the right of Palestinian people to self-determination, with all that that implied.

Sir Geoffrey stressed that the present stagnation in the peace process was dangerous and unstable, and the Twelve had been considering how to take matters forward. There was a growing view that an international conference could provide the necessary catalyst. There would be many obstacles to overcome, however, and it was not for outsiders at this stage to offer detailed prescriptions on participation, venue, procedures and so forth – only the parties directly concerned could do that. The Twelve had for the first time offered united political support for the principle of an international conference in the hope that this would inject momentum into a process that had been blocked too long.

Southern Africa

Britain's support for the Southern Africa Development Co-ordination Conference (SADCC) was reaffirmed by the Minister for Overseas Development, Mr Christopher Patten, at the 1987 annual meeting between member and donor countries held in Botswana on 5 and 6 February.

Set up in 1979, the SADCC promotes regional economic development, communications and trade among the nine member countries in Southern Africa. The member countries are Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe. The Botswana meeting was the sixth in a series of annual meetings between SADCC members and donors.

Britain's Views

Speaking on 5 February, Mr Patten said that the meeting was taking place at a time when Southern Africa was overshadowed by a crisis brought about by the effect throughout the region of the iniquitous apartheid system in South Africa. All of the Conference's participants shared a common objective, namely the elimination of apartheid and the establishment of a genuinely non-racial representative system of government in South Africa. 'To this end', continued Mr Patten, 'the British Government has consistently advocated the need for peaceful change in South Africa. We shall continue our efforts to create conditions in which dialogue leading to such change may begin.' (See pp 321-5, 1986.)

Noting that states in the region were economically dependent on South Africa, Mr Patten said that recent events had underlined the pressing need to help them to move away from this dependence and that the SADCC had a central role to play in this endeavour. Britain believed that the international community should give its full support to the SADCC and that assistance should be given to establish secure, viable and alternative transport routes since they were of central importance to the evolution of economic autonomy.

Although Britain's total commitment to SADCC projects was £25 million, more was needed to meet the costs of these projects. The British Government, therefore, had agreed to make available a further £10 million. In addition Britain's commitment to the region's development (see below) extended beyond the SADCC. In 1986-87 an estimated £108 million had been provided in gross bilateral assistance to the nine member countries and since 1981-82 over £700 million through bilateral and multilateral channels. 'We expect to maintain a substantial aid programme in the region to help lay the foundations for long-term growth and economic independence. We regard technical assistance as especially important – to help in institution building, project implementation and in other ways. Some 800 experts from Britain are working in the SADCC countries: 1,300 trainees from the region are studying in Britain. We are ready to do more.'

British aid was also intended to help those who had all too little say in their own affairs. Britain had for some years been providing training and other aid to non-white South Africans to help them overcome some of the handicaps of apartheid. Over 100 South Africans were receiving training in Britain and the Government planned to expand this programme, both in Britain and in South Africa, £18 million having been set aside for this purpose over the next five years.

Concluding, Mr Patten emphasised that the money pledged to the SADCC should be spent as efficiently and effectively as possible. Because many of the projects were complex and involved a number of external agencies and African countries, the closest co-ordination was required if value for money was to be achieved and the projects were to start producing benefits. The British Government welcomed the keen interest shown by the SADCC Council of Ministers in strengthening links between the SADCC and the wider international community and would do all it could to assist.

British Aid to the Region

Since 1981-82 Britain has provided an estimated £564 million in gross bilateral aid to SADCC member countries. For the SADCC itself Britain has committed £25 million mainly to help improve communications in the region. This includes assistance for the rehabilitation of the Limpopo railway line linking Zimbabwe with the port of Maputo in Mozambique, an emergency road link from Malawi to Tanzania, and management of consultancies for the port of Maputo and the Nacala railway line in Mozambique. Britain also provides 50 training awards a year for the SADCC region in addition to the bilateral training programme under which 1,300 people from the region are currently in Britain.

After the SADCC meeting Mr Patten visited Zimbabwe on 9 February where he offered to the Zimbabwe Government a new development grant of £10 million for expenditure over the next three years: of this £2·5 million will be made available as programme aid to be spent on British goods and services essential to the country's development and the remainder is intended for mutually agreed projects. Total British aid to Zimbabwe in 1985 was over £23 million.

During a visit to Mozambique on 11 February, Mr Patten offered £5 million for expenditure on long-term development projects. In addition he announced a contribution of £900,000 for relief work by Oxfam, the Save the Children Fund and the Catholic Fund for Overseas Development; £660,000 for the work of the United Nations Children's Fund in Mozambique, and £500,000 in response to a joint appeal for Mozambique launched by Oxfam and the Save the Children Fund.

On his return to London Mr Patten said on 19 February that Britain would give £250,000 to Christian Aid's Mozambique appeal to buy food, seeds, medicines, blankets and other relief items. More British emergency aid to Mozambique was announced on 20 February: the international relief agency CARE is to receive £500,000 for the purchase of tractors and trailers for emergency food distribution and Oxfam £238,000 for internal air transport and trucks for food distribution in Niassa province.

Central America

Britain and its European Community partners have reaffirmed the need for a peaceful settlement in Central America based on the principles of democratic government.

The British Government took part in the third conference of foreign ministers from the Community, the five Central American countries party to the General Treaty on Central American Economic Integration (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) and the Contadora group of countries (Colombia, Mexico, Panama and Venezuela) which has sought to negotiate an end to conflicts in El Salvador and Nicaragua. The conference was held on 9 and 10 February in Guatemala City.

Britain's Views

Addressing the conference on 9 February, Lady Young, Minister of State at the Foreign and Commonwealth Office, said that Britain recognised the complexity of the situation in Central America and the immense difficulty in reaching a settlement which protected the legitimate interests of all the states in the region. The best way of resolving the problem was through a comprehensive agreement on the basis of the 21 Contadora objectives accepted by all the parties in 1983. It was essential that the search for a peaceful settlement continued until peace and security were restored and mutual confidence re-established in Central America. 'In this context', continued Lady Young, 'the British Government have consistently and firmly taken the position that the problems of the region cannot be resolved by the use of armed force.'

Any solution had to depend on agreement between the Central American countries who needed to demonstrate the necessary political will in seeking a negotiated settlement and creating conditions which would contribute towards this. 'Paramount among these conditions is progress towards democracy and freedom, which I believe to be essential to peace and stability. This must include strict application of and respect for fundamental civil liberties and human rights, including freedom of expression, freedom of the press, radio and television and freedom to state, without fear or risk, views dissenting from government policies.' In areas where full pluralist democracy remained to be established or consolidated, opposition parties had to be given equal freedom to campaign in fair elections. There was no permanent right to govern and there had to be provision for and acceptance by all of political change. The right of all states to determine their own economic, political and social model had to be based on the freely expressed will of their people.

Concluding, Lady Young said that social and economic disparities which were the root cause of many of the region's problems should not be forgotten. The implementation of the co-operation agreement between Central America and the European Community with a concentration on projects which would benefit the whole region would ensure the Community's effective contribution.

Economic Communiqué

In a joint communiqué on economic co-operation, Community member states and the five Central American states and Panama expressed satisfaction at the ratification and the imminent entry into force of the co-operation agreement signed in Luxembourg in November 1985 (see pp 378-80, 1985). They emphasised that regional economic integration represented the best possibility of raising living standards and contributing to political and social stability in Central America.

The Community confirmed its 1985 undertakings to increase its aid to the region, and the Central American states recognised that even before the entry into force of the co-operation agreement there had been an increase in Community aid in the form of technical and financial assistance to regional projects. Community member states and the European Commission agreed to reinforce programmes relating to industrial and agricultural development, health, housing in rural areas, food security and the fostering of co-operatives. In

particular, increased support for regional integration was promised.

On trade the Community said that it would support the efforts of Central American countries to sell their exports in Community and third country markets and enable them to derive full benefit from the Community's Generalised Scheme of Preferences. The Community also confirmed the importance of strengthening industrial, scientific and technical co-operation between the two regions and emphasised the importance of stepping up private European investment. In addition Community member states declared their readiness to pay particular attention to the problems of the Central American countries' external debt.

Political Declaration

In a political declaration, all the participants, including the Contadora countries, expressed satisfaction at the growing momentum of democracy in the region and reaffirmed their conviction that peace could not be brought about by force and that the peace initiative of the Contadora group continued to be the only means through which a peaceful, negotiated solution to the Central American crisis could be reached. Referring to the presentation of a revised Contadora Final Act in June 1986, European Community and Contadora group ministers urged the Central American states 'to continue their negotiations with close adherence to peaceful means of resolving disputes and to basic principles and standards of co-existence between nations'.

The conference participants noted that the increasing tension in the area made it correspondingly more urgent to find a settlement based on the principles of pluralist democracy and full respect for human rights and fundamental freedoms, independence, non-interference, self-determination and the inviolability of frontiers. European Community member states reiterated their willingness to support, to the extent that they were able and if so requested, the action of the states which would be responsible for implementing the terms of the future Act for peace and co-operation and, in particular, to contribute to the implementing and follow-up mechanisms.

The Contadora Process

Tension arose in Central America in the late 1970s when open conflict broke out in Nicaragua, the Sandinista guerrillas overthrowing the Somoza regime in 1979. At the same time a left-wing guerrilla movement became active in El Salvador where conflict has continued. The Sandinista Government in Nicaragua is under challenge by guerrillas, known as the Contras.

In 1983 foreign ministers from Colombia, Mexico, Panama and Venezuela met on the island of Contadora in Panama and this meeting led to the Contadora process aimed at reaching a comprehensive negotiated settlement of the region's conflicts. This initiative has received widespread international support, including that of Britain and the other members of the European Community. Accepted in principle by all parties, the Contadora objectives include an end to support for cross-border subversion and destabilisation of Central American governments; an end to the local arms race and foreign military bases and advisers; elimination of the traffic in arms; full pluralist democracy; and respect for human rights. In January 1984 the Contadora and the Central American states agreed a document listing specific measures to fulfil these objectives and since then negotiation has taken place on various drafts of the Contadora Act for Peace and Co-operation in Central America. A third draft was presented to the Central Americans by the Contadora group in June 1986; this was accompanied by a statement (the Panama message) calling for three basic undertakings: that no country should allow its territory to be used by irregular forces or give logistic support to them, that no country should enter into a military or political alliance which threatened peace in the region by bringing it within the orbit of East-West conflict and that no super power should give military or logistic support to irregular forces and subversive groups or threaten to use force to overthrow a government in the area.

Nicaragua reaffirmed its willingness to sign the draft. Honduras expressed concern that negotiations on arms/troop levels would only start after the Act entered into force while El Salvador stressed the need for effective verification and control over the implementation of commitments. Costa Rica criticised the failure of the draft to guarantee implementation of commitments undertaken and proposed the inclusion of a timetable for follow-up action relating to these.

Shorter Notes

BRITISH-SOVIET CREDIT AND FINANCIAL AGREEMENT

Britain and the Soviet Union signed on 2 February a long-term credit and financing agreement, under which the Government's Export Credits Guarantee Department (ECGD) will support exports of machinery, plant and equipment to the Soviet Union between 1987 and 1990. The agreement, which became effective after an exchange of letters in Moscow, will run in parallel with the long-term programme for economic and industrial co-operation signed in London in July 1986 (see pp 87-8, 1986). No ceiling is being placed on the amount of ECGD support which will be on credit terms varying between five and eight and a half years according to the size and nature of the exports. Interest rates will vary from time to time, but British banks will offer favourable rates for business guaranteed by the ECGD. Simultaneously, seven banks – Barclays, Midland, Lloyds, National Westminster, Morgan Grenfell, Bank of Scotland and Moscow Narodny – signed separate framework banking agreements with the Bank for Foreign Trade of the Soviet Union setting out the special financing terms for ECGD-supported business, which came into force with the signing of the credit and financing agreement.

The agreement would be of great help to British exporters, the Secretary of State for Trade and Industry, Mr Paul Channon, said, when he announced the deal at a press conference on 2 February. British firms would be able to supply the advanced plant and machinery the Soviet Union was seeking under its current five-year plan and a number of major orders were currently under negotiation. The agreement ensured that British credit terms would be fully competitive and would allow British companies to offer

the best terms possible. Mr Channon also confirmed the intention of both governments to increase bilateral trade substantially following the visit to Britain in 1984 of Mr Mikhail Gorbachev (see pp 10-11, 1985).

Source: ECGD press notice, 2.2.87.

BRITISH AID TO EAST AFRICA

Further British aid for Kenya and Tanzania was announced during visits to these countries in March by the Minister for Overseas Development, Mr Christopher Patten.

On 3 March Mr Patten offered the Kenyan Government a grant of £50 million for development projects to be agreed between Britain and Kenya. In the period between 1981 and 1986 Britain gave Kenya over £200 million in aid, more than any other bilateral donor, in support of priority areas such as agriculture and natural resources, transport and energy. Britain also provides a large technical co-operation and training programme for these sectors and for education, public administration and management (see p 268, 1986).

During his visit to Tanzania, Mr Patten announced on 9 March that Britain was willing to provide £25 million worth of development aid to the Tanzanian Government, bringing the total aid pledged since August 1986 to £50 million. Some £12 million of the new aid is intended for expenditure on development projects to be agreed between the two Governments, £5 million to £6 million will be available as sector aid for the railways and the remainder will be used as programme aid to be spent on British goods and services essential to development, subject to Tanzania maintaining its agreement with the International Monetary Fund on a programme of economic reforms. British aid to Tanzania in 1985 totalled some £18 million, assistance being given to road construction, hospital rehabilitation and projects concerned with agriculture (see p 268, 1986).

Sources: Overseas Development Administration press notices, 3.3.87 and 9.3.87.

ECONOMIC AND SCIENTIFIC AFFAIRS

International Monetary Agreement

Agreement on co-operation to maintain exchange rates around their existing levels was reached by the finance ministers and central bank governors of six major industrialised countries who met in Paris on 22 February. They also agreed on the need for a reduction in external surpluses and deficits, balanced global growth and resistance to protectionism.

The finance ministers and central bank governors – from Britain, Canada, France, the Federal Republic of Germany, Japan and the United States – met to review their economies within the framework agreed at the Tokyo Economic Summit in May 1986 (see p 147, 1986). The managing director of the International Monetary Fund also took part in the discussions, at the end of which a joint statement was issued.

Joint Statement

The participants were of the view that further progress had been made since the summit in efforts to achieve sustainable and non-inflationary expansion. Although unemployment remained unacceptably high in some countries, the prospects were for continued economic growth this year. A high degree of price stability had been attained and substantial reductions in interest rates had been made. There had been adjustments in exchange rates, which would make an important contribution to restoring a more sustainable pattern of balance-of-payments current accounts.

Progress was being made in reducing budget deficits while fundamental tax reforms were being introduced to improve incentives, increase economic efficiency and enhance the prospects for growth. Other important structural reforms being carried out included business deregulation – to increase efficiency – and privatisation – to strengthen reliance on private entrepreneurs and market forces.

There was, nevertheless, a recognition that the large imbalances on trade and current accounts of some countries posed serious economic and political risks. There was agreement that their reduction was a matter of high priority and that more balanced global growth should play a central role in bringing this about. Surplus countries committed themselves to strengthen domestic demand and to reduce their surpluses while maintaining price stability. Deficit countries pledged themselves to reduce their deficits while encouraging steady growth accompanied by low inflation.

The participants reaffirmed their concern over continuing pressures for protectionism. They agreed that trade barriers were self-defeating, resolved to intensify their resistance to protectionism and declared their strong support for a new round of General Agreement on Tariffs and Trade (GATT) negotiations (see pp 328-9, 1986). They welcomed progress in the preparations for the new GATT round and the recent positive conclusions to discussions between the United States and the European Community on bilateral trade issues.

There was recognition that the major industrialised countries had a special responsibility to follow policies that fostered an open, growing world economy in order to support the efforts of developing countries – especially debtor ones – to return to steady growth and viability in their balances of payments.

The participants considered the position of several newly industrialising countries whose high rates of growth had been largely based on their access to open and expanding markets. Some had recently built up trade surpluses that had made an important contribution to the unsustainable pattern of global imbalances, thus increasing protectionist pressures. It was felt that these countries should assume greater responsibility for preserving an open world trading system by bringing down barriers and by following policies that allowed their currencies to reflect more fully the underlying economic realities.

Medium-term economic objectives and projections involving domestic and external variables would be periodically reviewed. The consistency of developments with these objectives and projections would be regularly examined and the need for remedial action considered. The objectives and projections would initially involve the following variables: growth, inflation, trade and current account balances, budget performance, monetary conditions and exchange rates.

The participants were of the view that substantial changes in exchange rates since the September 1985 agreement by five of the countries (see pp 317-18, 1985) would make an increasing contribution towards reducing external imbalances. Their currency values were now broadly consistent with underlying economic realities. Further large-scale movements in exchange rates could be harmful for growth and the prospects for adjustment. There was therefore agreement to keep them around current levels.

Each of the six countries committed itself to a set of undertakings. The British Government would maintain the conditions necessary for a continuation in the steady growth of total output. It would also go on

working to reduce inflation by means of a prudent monetary policy. Broad balance over the medium term would be the aim for the external account. The share of public expenditure in the economy would continue to fall and the burden of taxation would be reduced. Public sector borrowing would be kept low. These and other measures – such as privatisation – to strengthen the supply side of the economy would reinforce the productivity improvements of recent years.

British Government View

In the House of Commons on 24 February (*Hansard*, Vol 111, No 62, written answers, cols 207-8) the Chancellor of the Exchequer, Mr Nigel Lawson, said that 'an agreement of substance' had been reached. He saw it as a descendant of that of September 1985, after which measures had been taken to secure the fall in the external value of the dollar which had been deemed necessary. The time had now come for a period of stability; action would be taken accordingly.

Local Government Finance

Local government finance in England and Wales and in Scotland has been the subject of recent discussions. Rate support grant, controls on certain aspects of local authority finance and the proposed community charge have been the topics under consideration.

Rate Support Grants Bill

The Rate Support Grants Bill[1] received its second reading in the House of Commons on 4 February by 343 votes to 196, a government majority of 147 (*Hansard*, Vol 109, No 45, cols 1006-53), and the Royal Assent on 12 March; its purpose is to abolish grant recycling in England and Wales. In order to provide an incentive for expenditure restraint, the entitlement of local authorities to central government grant (see below) decreases as they overspend. As total grant remains fixed, the reduction in an overspending authority's grant is recycled to the remaining authorities; conversely, the extra grant made available to an underspending authority means that there is less for the other authorities. The process can continue for some time after the end of the grant year in question as fresh information on expenditure appears.

Moving the second reading, the Minister for Local Government, Dr Rhodes Boyson, said that the ending of grant recycling – which was likely to amount to £611 million in 1986-87 – would mean that each local authority would, provided that it spent at its agreed level, receive the grant allocated to it. (Additional grant would, however, still be provided by central government in the event of overall underspending.) The most important disadvantage of the present system was that, when local authorities set their budgets, they had no certainty about the amount of grant they would eventually receive; relatively large sums could be gained or lost as a result of another authority's spending. Another disadvantage was that grant could be recycled to both high-spending and low-spending authorities; thus, authorities which lost grant because of their overspending could regain grant as a result of overspending elsewhere. Under the new arrangements, an authority's grant would be determined by its own spending decision, which could only help to improve its accountability to ratepayers.

[1]Rate support is a system whereby central government supplements the finances for current expenditure of local authorities (about one-third of which is derived from rates – local property taxes) so that they can provide services for which they are responsible to similar standards while reducing disparities in their rates.

Local Government Bill

The Local Government Bill was given a second reading in the House of Commons on 3 March by 259 votes to 196, a government majority of 63 (*Hansard*, Vol 111, No 64, cols 760-828). The Bill, which applies to England and Wales, has two main purposes. First, it proposes to end the use by local authorities of advance and deferred purchase schemes to avoid central government controls on capital expenditure; secondly, it empowers authorities to give financial assistance to the private sector for the provision of rented housing.

In moving the second reading, Dr Boyson said that advance and deferred purchase schemes had recently been converted by a minority of authorities 'into creative accounting devices as a means of evading the Government's spending controls on a grand scale. In that guise, those devices are borrowing, masquerading as expenditure.' The schemes made use of a bank or other financial institution to transfer expenditure artificially to a year other than the one in which the relevant work had been carried out. When practised on a large scale, this device could store up substantial problems for ratepayers in the future, which the Government deplored. 'We consider it reckless and imprudent. It mortgages the future to save people facing up to reality now', the Minister said. He went on to explain that, in recognition of the fact that an authority might find it difficult to accommodate an occasional project within its annual spending limit, the Government was prepared to grant limited exemption from the new conditions.[1]

Turning to the other major objective of the Bill, he told the House that it was the Government's wish to widen the variety of rented housing and to increase the choice available. 'We want to re-establish the right to rent', he added. Since the early 1950s there had been a sharp decline in the quantity of private rented housing; this was continuing. Many landlords had been forced out of business by a combination of statutory rent controls and an inability to compete with local authority subsidised housing. The Government wanted less municipally owned housing and more rented housing provided by other agencies. The Bill would allow local authorities to develop the role of 'enablers' – as opposed to providers – of housing. They would be able to use public money to attract private investment into the provision of rented housing, with every pound of public investment generating two or three pounds of private investment. They could help the private sector to develop rented housing schemes which might otherwise not have been economically viable and they could help tenants by keeping rents at reasonable levels. Dr Boyson suggested that

[1]On 17 March Dr Boyson announced that exemption would be to the extent of one project, up to a value of £3 million, over any five-year period.

the most appropriate form of help might be annual revenue grants, enabling assistance to be conditional on the maintenance of acceptable standards by landlords.

Scottish Rate Support Grant

The 1987-88 rate support grant settlement for Scotland was announced by Mr Michael Ancram, Parliamentary Under-Secretary of State at the Scottish Office, in the House of Commons on 18 February (*Hansard*, Vol 110, No 56, cols 1007-8).[1] Local authority relevant expenditure (expenditure taken into consideration when fixing grant) had been set at £3,277 million; aggregate Exchequer grant would amount to £2,160 million (66 per cent of relevant expenditure).

Scottish Community Charge

The community charge in Scotland, which was to have been phased in over a three-year transitional period from 1989-90 to 1991-92 (see p 23), would now become fully effective on 1 April 1989, when domestic rates would be abolished, the Government announced on 26 February. The Abolition of Domestic Rates Etc. (Scotland) Bill would be amended accordingly.

The change follows representations from the Convention of Scottish Local Authorities and several professional bodies, which argued that a period of phasing-in would lead to administrative difficulties. Implementation at one stroke would be simpler for individuals, who would receive just one bill rather than two – one based on rates and the other on the community charge. Also, it would be simpler for local authorities, eliminating the need to run two collection systems in parallel.

Developments in Wales

Recent economic and social developments in Wales were considered during the annual debate on Welsh affairs in the House of Commons on 2 March.

Secretary of State's Speech

Opening the debate (*Hansard*, Vol 111, No 63, cols 600-79), the Secretary of State for Wales, Mr Nicholas Edwards, said that dependence in Wales on the old basic industries of coal and steel was over and the long decline from the peak of 1921 with its associated social consequences had ceased. The economy had entered a new period during which it would grow on a broad base consisting of the old industries brought up to date by modern technology, together with the new industries and services. Growth was already taking place and would involve a substantial rebuilding and refurbishment of the cities and urban communities, and diversity of employment in the countryside.

Coal and Steel

Mr Edwards said that coal and steel would continue to have an important role in the economy. The decline in coalmining since the end of the dispute in the industry (see pp 77-8, 1985) had involved a reduction of half in the number of mines in Wales and of nearly half in the number of employees in the industry.[1] However, the prospects for the remainder of the industry were better than for many years. Productivity had almost doubled and there had been investment recently in heavy duty face equipment in nearly all the mines. Investment of some £100 million had been committed in the coalfield in south Wales in the past two years. British Coal had announced in 1986 a new drift mine at Cynheidre (Dyfed) and had recently announced a new drift mine project [costing some £90 million] at Margam (West Glamorgan) which would create nearly 800 mining jobs and was 'the most exciting new project in south Wales mining for many years'.

Very large-scale investment had also been undertaken in the steel industry. The steelworks at Llanwern (Gwent) and Port Talbot (West Glamorgan) were acknowledged to be among the most modern and efficient in Europe. Recent developments had included the opening in 1986 of a £171 million hot strip mill at Port Talbot and of a £30 million project at Shotton (Clwyd), while investment in progress included £50 million in the Trostre tinplate works at Llanelli.

Industrial Expansion

Although the unemployment figures were very high, Mr Edwards continued, he was 'increasingly confident about the future of the Welsh economy'. In spite of the loss of some 67,000 jobs in the coal and steel industries since 1975, unemployment in Wales had risen less severely in the period up to early 1986 than in Britain as a whole, while it had subsequently fallen faster and further than elsewhere.[2] New industries and services, the increase in the number of self-employed people, and the relatively large share of inward investment in Britain taken by Wales (around 20 per cent), had helped and in the last year the pace of recovery had accelerated. Business optimism in Wales had increased significantly and there was evidence that Wales was entering a period of industrial expansion, as indicated by the statistics for the allocation of factories by government agencies, which had risen from 1·8 million sq ft[3] in 1984 to just over 2 million sq ft in 1985 and to over 2·5 million sq ft in 1986. Under the factory building programme of the Welsh Development Agency [which has principal responsibility for Welsh industrial development policy], it would be providing about 1 million sq ft of factory space a year in each of the next three years.

Mr Edwards outlined a number of specific projects including a major expansion by Sony at its site at Bridgend (Mid Glamorgan). He said that the project would cost over £30 million and involve a substantial increase in the manufacture of colour television sets, tubes and components. In addition, there had been expansion in the three enterprise zones: at Delyn (Clwyd), where 62 firms had moved into the zone

[1]See pp 67-8 for the settlements for England and Wales.

[1]There are two main coalfields: a large one in south Wales and a smaller one in north Wales. In early 1987 the former contained 14 mines with some 10,700 employees on the colliery books.

[2]In February 1987 unemployment in Wales was provisionally estimated at 161,800 on a seasonally adjusted basis (excluding school-leavers), 13·1 per cent of the working population (compared with 11·1 per cent in Britain).

[3]1 sq ft = 0·09 sq m.

since designation in 1983 and over half the jobs provided were new; at Milford Haven, where over £8 million had been invested and a major deep-water facility should be available for shipping later in 1987; and at Swansea, where the zone had attracted 2,300 jobs.

Regeneration

The Secretary of State mentioned a number of schemes that were helping to bring improvements in urban areas. Under the 'valleys initiative' which he had announced in 1986, seven towns had been selected to receive support towards environmental regeneration and would receive funds additional to considerable sums already available for housing, derelict land clearance and urban improvement. A national garden festival would be held at Ebbw Vale (Gwent) in 1992 and this would give a substantial boost to regeneration, while there had already been a number of encouraging industrial developments in the area.

Mr Edwards referred to the forthcoming establishment of a development corporation to stimulate and control the regeneration of the Cardiff Bay area, and the associated proposed barrage (see pp 33-4). The Cardiff Bay development, he said, had the potential not only 'to make Cardiff one of the most splendid cities in Europe and greatly to improve the conditions in which some of its poorest citizens live . . . , but [also] to strengthen the economy of the whole of south Wales and particularly the industrial valleys that are so closely linked to it'.

Communications

In the course of his statement Mr Edwards mentioned a number of improvements in roads in Wales. He said that in north Wales an extensive road programme was improving access to the motorway network in England, the north-south routes within Wales and the A55 where the new dual carriageway between Chester and Bangor was two-thirds completed and journey times had been substantially reduced; work had started on a tunnel under the Conwy [a £170 million project and the first immersed tube road tunnel to be built in Britain]. In south Wales road projects would lead to substantial improvements in the route from west Wales to London. Planning was in progress on a second crossing of the Severn with a view to completion by the mid-1990s.

Rural Enterprise

In discussing agriculture and the rural economy, the Secretary of State referred to the Government's series of papers containing its proposals for assisting farming and the rural economy to adapt to the changing situation (see pp 102-4). There were already effective instruments for encouraging the diversification that was needed in rural Wales including Mid-Wales Development (set up to promote social and economic development in mid-Wales), while the Welsh Development Agency was strengthening its rural organisation, and an extensive range of measures existed in support of investment and enterprise.

Opposition Views

For the Labour Party, Mr Barry Jones, said that Wales had an increasingly large share of redundancies, but the Government had no strategy for solving the large-scale unemployment problems. Productivity was increasing, but on a declining level of production, with manufacturing output below the level of 1979. Greater investment was required in the economic and social infrastructure, in areas such as housing, environmental improvements and education.

Mr Alex Carlile, on behalf of the Liberal Party, welcomed the developments (such as the new factories) referred to by the Secretary of State, but said that Wales was 'still suffering from considerable economic sickness'. Other problems existed in areas such as rural roads, education, housing and agriculture. He called for 'an integrated approach' to be given to the Welsh economy.

For Plaid Cymru, Mr Dafydd Thomas, also called for an integrated approach to the Welsh economy, where growth in the various sectors was planned. He said that one reason for the absence of a coherent economic strategy was that the government of Wales was 'not organised in a way that lends itself to the future model of democracy'. He believed that the demand for national status for Wales would continue to grow during the late 1980s.

Government Reply

Replying for the Government, Mr Wyn Roberts, Parliamentary Under-Secretary of State for Wales, reaffirmed that prospects in Wales were steadily improving. Industry in Wales was 'more competitive and better adapted to the demands of a modern economy'. He disputed Opposition claims that the Government's policies had failed and that the prime cause of the alleged failure was its expenditure policies. He pointed out that expenditure on the National Health Service in Wales was 28 per cent higher in real terms than in 1978, and that expenditure on education was 2·5 per cent more in real terms in 1984-85 than in 1978-79. Expenditure would be increased in areas which would strengthen the economy (such as roads and river crossings), 'part of the essential infrastructure of a better future'.

British Airways Flotation

The Government has sold its shares in British Airways, one of the world's leading airlines. Over 1 million applications were received and the flotation was substantially oversubscribed.

Details of the allocation of shares were announced by the Secretary of State for Transport, Mr John Moore, on 7 February. Mr Moore said that the sale had been 'a resounding success' and he was delighted that the public had placed 'such faith in this great British company'.

The flotation is an important part of the Government's privatisation programme and follows the flotation of British Gas in late 1986 (see pp 25-7). (For further information on the privatisation programme see COI reference paper *Britain's Privatisation Policy*, No 245/87.)

Background

British Airways is one of the world's largest international scheduled airlines. In 1985, the latest year for which relevant statistics are available, British Airways carried more passengers on international scheduled services than any other airline, and was the second largest airline in terms of revenue tonne-kilometres on these services. It operates, on average, over 3,700 international scheduled flights a week to some 145 destinations in 68 countries, and carried some 13 million passengers on international scheduled services in 1985-86; it has a fleet of 163 aircraft. Turnover totalled £3,149 million in 1985-86, of which £2,981 million was earned from airline activities including £2,376 million from scheduled passenger services, £268 million from scheduled cargo services and £151 million from charter services.

In 1979 the Government announced its intention to sell shares in British Airways, and the Civil Aviation Act 1980 (see pp 382-3, 1979) contained provisions for the sale of shares. Measures were then taken to restore the airline to profitability and prepare it for privatisation, and in 1984 British Airways ceased to be a statutory body (see p 26, 1984) when its assets and liabilities were vested in British Airways Plc, a public limited company under government ownership. Plans for privatisation were then deferred owing to various uncertainties, but by September 1986 these had been resolved and the Secretary of State announced that the airline would be privatised early in 1987 (see pp 333-4, 1986).

Allocation of Shares

The Government offered for sale up to 720·2 million ordinary shares at a price of £1·25 a share – 65p being payable immediately and 60p in August 1987 – placing a market capital value on the company of £900 million. Applications for up to 100,000 shares amounted to 2,900 million shares in total, while 5,000 applications for more than 100,000 shares represented a further 4,900 million shares. As a result of the high level of demand, the number of shares initially allocated to British institutions was reduced from 325·2 million (which represented 45 per cent of the offer) to 260·2 million, and the number of shares allocated to overseas markets was reduced from 147·4 million to 118·6 million. Details of the allocation are shown in Table 1.

Mr Moore said that he was very pleased that employees had shown their commitment to the airline by applying for shares, with the overwhelming majority of employees and a substantial number of pensioners submitting an application, amounting in total to some 73 million shares. The special arrangements for employees and pensioners included an offer of 76 free shares for each eligible employee of the airline (who had been in continuous employment since August 1986) and its wholly owned subsidiaries; a matching offer, under which each eligible employee was offered, at the offer for sale price, up to 120 shares, with the Government providing free of charge two shares for each share purchased; and a priority offer for employees and pensioners including a discount offer under which 1,600 shares might be purchased by an employee at a discount of 10 per cent. Employee applications for free, matching and discount shares were met in full, and priority applications by employees and pensioners were met in full up to 25,000 shares.

Mr Moore said that the issue had been so successful that he had had to make 'some hard decisions as to how best to allocate a limited amount of shares' for the public applications. Those applying for up to 1,500 shares would receive 200, while applications for up to 100,000 shares would be scaled down substantially (see Table 2), although those applying for over 100,000 shares would not receive an allocation. 'The public directly will gain the biggest benefits from this sale', Mr Moore said. Private investors and British Airways' employees would receive 47 per cent of the shares, while the public would also benefit through the financial institutions, such as pension funds and insurance companies, which would get 36 per cent. Of the overseas markets, to which 17 per cent of the shares were allocated, some 63 million were allocated to the United States market, 28·4 million to Canada, and 13·6 million each to Japan and Switzerland.

Table 1

Allocation of Shares

	Number allocated (million)	Per cent
British Airways' employees and pensioners	62·2	8·6
Public applications from within Britain	254·7	35·4
British financial institutions	260·2	36·1
Overseas applications (under the offer in Britain)	5·4	0·7
Overseas offers	118·6	16·5
Loyalty share bonus retention*	19·1	2·7

*Eligible individuals continuing to hold shares purchased in the offer for sale until the end of February 1990 will receive from the Government a bonus of one free share for every ten held.

Table 2

Allocation of Public Applications

Shares applied for	Allocation
400 – 1,500	200
2,000 – 5,000	250
6,000 – 10,000	300
15,000 – 35,000	350
40,000 – 100,000	1 per cent
Over 100,000	Nil

British Design Awards

The British Design Awards (formerly known as Design Council Awards) for 1987 have been won by 24 British companies for products which are judged to be truly exceptional in terms of design and innovation.

As usual the entries for seven categories of award were judged by specialists from the fields of design, engineering, manufacturing, retailing, marketing and journalism against a broad set of criteria including design innovation, effective use of materials and resources, appearance, ease of use, performance and reliability in service, as well as commercial performance. The winners were announced in two batches, on 13 January and 17 February. The Duke of Edinburgh will present the awards at the Design Centre in London in March.

The successful companies and their products are listed below.

Decorative Goods	
Osborne and Little	wallpapers and fabrics
Sarah Dallas	knitwear collection
Consumer Durable Goods	
AP Valves	adjustable buoyancy lifejacket
Click Systems	showcase system
Knotless Fishing Tackle	range of fishing tackle
Mountain Technology (Glencoe)	ice axes
Musto	foul weather clothing for use at sea
Engineering Products	
CFM Metal-Fax	mini aircraft
Elga	laboratory water purifier
Sigmex	graphics terminal
Simon Engineering Dudley	firefighting/rescue/high-access platform
Engineering Components	
INMOS International	Transputer microprocessor
John Guest	leakproof pipe connector
Medical Equipment	
Steriseal	ophthalmic instrument for cataract removal
Vasutek	arterial replacements
Vitalograph	measurement of pulmonary function
Motor Industry Products	
Austin Rover Group	Rover 800 engine
Boalloy	specialist truck body
Ford Motor Company	transit van
Les Wallen Manufacturing	carphone antenna
Lucas Girling	Ford anti-lock braking system
Tom Walkinshaw Racing	Jaguar XJR-6 sports racing car
Computer Software	
Direct Technology	software that automates computer operations
Yard Software Systems	software management, control and testing

Trade Unions

A number of proposals for strengthening the rights of trade union members, including the creation of a Commissioner for trade union affairs, the removal of the remaining legal protection for the 'closed shop', and modifications to the procedures governing the election of trade union executive committees, are put forward for discussion by the Government in a Green Paper, published on 24 February.[1]

In a statement in the House of Lords, the Secretary of State for Employment, Lord Young, referred to the range of measures introduced by the Government since 1979 which he said had helped to achieve 'the least number of working days lost to industrial action for a generation' (*Hansard* [*HL*], Vol 485, No 45, cols 94-6).[1] The Government had sought 'to restore a proper balance of bargaining power between trade unions and employers' and 'to establish democratic rights for individual members within their unions'. It

[1]*Trade Unions and Their Members*. Cm 95. HMSO, £4·50. ISBN 0 10 100952 6.

[1]Changes in the legal framework since 1979 have been implemented through the Employment Act 1980 (see pp 21-3, 1980), the Employment Act 1982 (see pp 78-80, 1982) and the Trade Union Act 1984 (see pp 436-8, 1983, and 312-13, 1984). The changes are described in COI reference paper *Trade Unions in Britain*, No 185/85 and, at greater length, in *Industrial Relations in Britain*, No 187/85. The substantial fall in the number of working days lost is described on pp 294-5, 1986. The number of working days lost in Britain in 1986 is provisionally estimated at 1,852,000, compared with 6,402,000 in 1985.

had aimed to promote an environment in which both sides of industry could 'work together to generate the wealth the country needs'. Progress had been encouraging, but some trade unions had 'declined the opportunity to put their house in order' and members had not always felt able to take a stand and ensure that abuses were corrected. Accordingly, further measures were required to strengthen the rights of individuals within a union and to reinforce their ability to exercise those rights. A number of possible changes were proposed as a basis for further legislation in the Green Paper.

GREEN PAPER

The Green Paper says that changes in industrial relations law have already had 'profound and wide-ranging effects'. Trade unions are recognising the need to be more accountable and responsive to the wishes of their members. On a number of occasions union members have refused to take industrial action contrary to their best interests and to their better judgment, with 'some notable examples of trade union calls for industrial action being largely ignored when members were denied a ballot', and action halted by members where the employer would have been able to secure an injunction to have the action called off or obtain damages in the absence of a ballot. Britain has benefited by the 'avoidance of much unnecessary and damaging industrial action'.

Progress has also been made in the protection of union members against unfair treatment by their unions. The full impact of provisions under the Trade Union Act 1984 relating to the election of unions' governing bodies (which took effect in October 1985) is being achieved as elections fall due. 'By making it easier for members to take part in secret ballots, and breaking the hold of minorities of union activists, the election requirements may have the most profound effect of all on the way trade unions conduct their affairs and represent their members' interests.' Better communications between unions and their members are also made possible by the requirement for unions to maintain proper registers of members' names and addresses.

The Green Paper also refers to other developments to improve industrial relations. It says that there are a growing number of companies where employers and unions have been able to agree on 'packages which include well-designed disputes procedures, greatly reducing the likelihood of industrial action, together with improved status and security for workers, often going hand in hand with full job flexibility'. There is a determined attempt to improve collective bargaining arrangements and increasing recognition by employers of the importance of communications and employee involvement.

However, the Green Paper says that more remains to be done to ensure that the rights of union members are 'fully developed so that they provide the ordinary member with the effective protection that he or she is entitled to enjoy in a free society'. The Department of Employment is requesting comments on the proposals by 5 May.

Rights of Members

Under the Trade Union Act 1984 a condition of trade unions' immunity from certain legal actions is that they do not organise strikes or other industrial action without first securing a vote in favour from those members who are to be called on to break their contracts of employment, and the ballot must meet specific statutory requirements on fairness and secrecy. The Green Paper says that this has contributed to a major change in the conduct of industrial relations, and notes that employers have made increasing use of legal remedies against industrial action called without a properly conducted ballot. However, trade unions have no statutory obligation to conduct a ballot, and the Green Paper outlines a proposal to impose a duty on trade unions to hold a secret ballot of members involved before authorising or endorsing industrial action. The duty would be enforceable by any member due to take part in industrial action on application to the High Court.

The Green Paper discusses the rights of the individual to choose to go to work in spite of a call to take industrial action and says that this is 'an essential freedom'. 'Every union member should be free to decide for himself whether or not he wishes to break his contract of employment and run the risk of dismissal without compensation. No union member should be penalised by his trade union for exercising his right to cross a picket line and go to work.' Further statutory protection is suggested including a right for all union members not to face disciplinary action (including expulsion from a union) for refusing to take industrial action, with a right of complaint to an industrial tribunal, and provision for compensation if the union fails to readmit a complainant or refuses to withdraw disciplinary action.

Safeguard and Control of Funds

The Green Paper analyses the effects of changes in legislation which have opened up the possibilities of civil court action being taken against trade unions, and the prospect of awards of damages or fines for contempt. It considers the possibility that those responsible for conducting trade union affairs should be deprived of the capacity to apply a union's assets in contravention of a court order. It says that the introduction by at least one major union of rules to indemnify its officials for the consequences of any actions, whether legal or not, raises the question of whether the issue of indemnities is sufficiently serious to merit direct statutory intervention. According to the Green Paper, it would be possible to legislate to limit the indemnity that a union could afford individuals, so that indemnity for fines imposed for particular unlawful acts (including contempt of court) was not possible.

Trade union members have had no statutory right of access to see their union's detailed accounts since the right was removed by the Trade Union and Labour Relations Act 1974, but the Green Paper suggests that this right should be restored, with members having a right to be accompanied by professional advisers.

The Closed Shop

The Government's view is that 'individuals should be able to choose for themselves whether or not to belong to a trade union', and for that reason it has been opposed to the operation of the 'closed shop' (formally known as a union membership agreement), which involves an agreement between an employer and a union requiring employees to belong to that union.

Measures in the Employment Act 1980 were designed to limit the worst of the abuses, and the provisions were extended in the Employment Act 1982. Estimates indicate a decline from 5·2 million people being covered by these agreements in Great Britain in 1978 to 3·5 million in early 1984 and possibly about 3 million in 1987, partly because of the decline in employment in manufacturing (where closed shops have traditionally been concentrated), but also because of the provisions governing the establishment of new closed shops and the decision by a number of major employers to withdraw from their agreements. However, not all the abuses have been eliminated and 'there is a strong case for ending altogether the special protection afforded in law to the closed shop and so ensuring equal treatment for union members and non-members'. This would involve repealing the closed shop approval provisions in the Employment Act 1982, with the effect of ensuring that no further closed shops could become approved and all dismissals for non-membership of a union would become automatically unfair.

Extension of Democracy in Trade Unions

The Trade Union Act 1984 sought to ensure that trade union members have 'a direct say in the important decisions of their union and a reasonable opportunity to vote'. Ballots for certain specified purposes are required to be held by a direct voting system, either by post or at the workplace, and there are basic requirements on secrecy and the avoidance of malpractice. The rules were designed to prohibit practices such as indirect block voting systems for union elections and the holding of strike votes by a show of hands. The Act 'represents a significant advance over the practices to which many trade unions have been accustomed over the years', but a large number of unions have retained workplace ballots and there have been some significant controversies about the organisation of such ballots. The Government considers that there is justification for requiring unions to use fully postal voting (under independent supervision) for elections to the principal executive committee and for ballots on political funds, but says that postal ballots may be less suitable for ballots on industrial action, where the issues are of immediate concern and the speed of decision-making is essential. Trade unions should now be in a position to hold fully postal ballots as the Trade Union Act 1984 required unions to compile and maintain a register of members' names and addresses.

Under the 1984 Act voting members of a union's principal executive committee must be elected at intervals of not more than five years. However, the Green Paper points out that other non-voting members can play a major role, and suggests that it would be sensible to extend the requirement for election to include all general secretaries, presidents and executive members, whether elected or appointed. 'In this way the members themselves would be given a direct say in the appointment of all members of the union's governing body.'

Enforcement of Statutory Duties

Certain statutory duties, such as those concerning elections to principal executive committees, are owed by trade unions to their members in general, and a feature of these duties is that proceedings against a trade union on the ground that they have not been observed can be instituted by any member. The Green Paper examines the operation of the present enforcement system and says that, although experience has been positive in a number of respects, some deficiencies have become apparent. For example, the powers of the Certification Officer for Trade Unions and Employers' Associations[1] to remedy breaches of statutory duty are not comprehensive, the High Court is not being used and several trade unions have announced that they will not change their rules and practice to comply with the law. Various proposals are put forward for reinforcing the system including the creation of a Commissioner for trade union affairs (who would be separate from the Certification Officer). Where a complainant believed that remedial action required by a decision of the Certification Officer had not been taken by the trade union concerned, he or she would be able to seek advice and support from the Commissioner, including support for an application to the High Court for a declaration and enforcement order.

Agricultural Land and the Rural Economy

Government plans to encourage alternative uses of farmland, a more diverse rural economy and rural enterprise, and to protect the beauty of the countryside and areas such as green belts and national parks, have been announced.

The new policy initiatives are contained in statements in the House of Commons on 9 February by the Minister of Agriculture, Fisheries and Food, Mr Michael Jopling (*Hansard*, Vol 110, No 48, cols 70-80; and Vol 110, No 49, written answers, cols 38-40); in a draft circular on development involving agricultural land issued by the Department of the Environment and the Welsh Office on the same day; and in a statement in the House of Commons on 10 February by the Secretary of State for the Environment, Mr Nicholas Ridley (*Hansard*, Vol 110, No 49, cols 161-9).

Background

A circular issued by the Department of the Environment and the Welsh Office in 1976 set out government policy on the development of agricultural land: 'to ensure that, as far as possible, land of a higher agricultural quality is not taken for development where land of a lower quality is available'. The circular reflected points raised in the White Paper *Food from our own Resources* (see pp 211-12, 1975) which, in then

[1] An independent authority responsible for a variety of functions including maintaining lists of trade unions and of employers' associations, and dealing with complaints concerning trade unions which have failed to comply with certain provisions of the 1984 Act.

prevailing circumstances, considered it advisable to maintain and expand food production.

However, with substantial agricultural surpluses in Western countries, the Government has now indicated an intention to shift the emphasis from agricultural productivity to the environmental and economic implications of rural development.

Minister's Statement

European Community surpluses in many of the main agricultural commodities, said Mr Jopling, meant that there would be 'less support for expanding production, more attention to the demands of the market, more encouragement for alternative uses of land, more response to the claims of the environment and more diversity on farms and in the rural economy'. The following measures were contemplated:

1 a scheme to encourage the development of broad-leaved woodlands on farms, enabling about 36,000 hectares[1] to be planted over three years, with a maximum rate of aid of £125 a year for each hectare;

2 an expansion of the forestry programme (with particular emphasis on the private sector and with due regard to environmental considerations – see p 64) to reach 33,000 hectares a year, compared with the present target of 30,000 hectares, and to include the planting on low ground of a higher proportion of trees of better quality than hitherto;

3 the number of environmentally sensitive areas – the first nine to come into force in March 1987 – to be extended early in 1988, with a doubling of government funding for the scheme [see p 300, 1986];

4 encouragement of diversification of enterprise on farms under the Agriculture Act 1986 [see p 251, 1986], which would provide for grant-aid to ancillary businesses on or adjacent to farms (such as value-added food processing and recreational facilities) and help in marketing new products;

5 more emphasis on novel crops and livestock, and study of the social, economic and environmental implications of the changing farming scene, assisted by research and development funds from the Ministry;

6 a draft circular issued by the Department of the Environment and the Welsh Office containing guidance on the future planning regime for agricultural land (see below), and documents, to be published in March, setting out government policy and the conditions for the encouragement of a healthy rural economy throughout Britain.[2]

[1] 1 hectare = 2·471 acres.

[2] The documents are published in the folder *Farming and Rural Enterprise*. HMSO, £8·50. ISBN 0 11 242807 X. They include:

Farming UK. Ministry of Agriculture, Fisheries and Food and Northern Ireland, Scottish and Welsh Offices. HMSO, £3·95. ISBN 0 11 242795 2.

Rural Enterprise and Development. Department of the Environment and Welsh Office. HMSO, £3·95. ISBN 0 11 751941 3.

Farm Woodland Scheme, consultation document issued by the Ministry of Agriculture, Fisheries and Food, the Agricultural Departments for Northern Ireland, Scotland and Wales, and the Forestry Commission. Available free from Ministry of Agriculture, Fisheries and Food, 3 Whitehall Place, London SW1A 2HH.

Action for Rural Enterprise. Available free from the Development Commission for Rural England, 11 Cowley Street, London SW1P 3NA.

Rural Scotland. Available free from Industry Department for Scotland, Room 5/107, Scottish Office, New St Andrew's House, Edinburgh EH1 3TD.

Action for Rural Enterprise in Wales. Available free from the Welsh Development Agency, Pearl House, Greyfriars Road, Cardiff CF1 3XX.

The cost of these initiatives, continued Mr Jopling, would be about £25 million a year (£10 million on farm woodlands, £3 million on traditional forestry, £7 million on environmentally sensitive areas and £5 million on diversification and marketing), and alternative use of land would lead to compensating savings in Common Agricultural Policy expenditure.

Opposition Views

The chief Opposition spokesman on agriculture, Mr Brynmor John, said that the government plans were not enough to reform European Community policy and gave no clear idea of what farmers should grow, how much and of what quality. He questioned the role of the Government's projected set-aside scheme [payment to farmers for temporarily leaving grain land uncultivated] in the proposals and doubted that 15,000 hectares of extra forestry a year (less than 0·25 per cent of agricultural land in Britain) was a serious attempt to solve the problem of overproduction. For the Liberal Party Mr Robert Maclennan said that the statement would disappoint farmers and would do nothing to check the decline in their incomes. Much more than £25 million would be needed to diversify the rural economy.

Minister's Reply

In reply, the Minister emphasised that he was not recommending what should be grown on farms, but suggesting schemes for alternative arrangements which would help to equate production with consumption. Such schemes would mean a lower level of Common Agricultural Policy support expenditure and thus substantial savings in public expenditure. While there would also be a less rigorous approach, as far as agricultural considerations were concerned, to development proposals on less good land, said Mr Jopling, 'in no conceivable way is this a recipe for uncontrolled development'.

Draft Circular

In his comments on the circular, which refers to England and Wales, the Secretary of State for the Environment stresses the importance of a 'living countryside with thriving communities' and the 'Government's commitment to green belts and other areas of the countryside which must be conserved'. The circular's main points are listed below.

1 Local planning authorities must give thought to agricultural implications, as well as environmental and economic aspects, when considering allocation of land for development and deciding applications for planning permission that affect agricultural land. The need both to promote economic activity that leads to jobs and to protect green belts, national parks, areas of outstanding natural beauty and other areas of good countryside must always be borne in mind.

2 The best and most versatile agricultural land should not be built on, unless there is no other site suitable for the particular purpose. [The Ministry of Agriculture, Fisheries and Food proposes to grade agricultural land as follows: grades 1 and 2 – of the highest quality, versatile and most efficient in response to inputs, representing about 17 per cent of the agricultural land in England and Wales; grade 3 – with moderate physical limitations, accounting for almost 50 per cent; grades 4 and 5 – with severe or very severe limitations.]

3 Both the potential of mineral workings and the feasibility of a high standard of restoration must be considered when deciding planning applications for prospecting which would affect agricultural land.

4 Re-use of derelict land and restoration of redundant buildings in rural areas can help to relieve pressure for new development.

5 Dwellings hitherto occupied by agricultural and forestry workers, but no longer needed by this class of tenant, should not be left vacant because of planning conditions restricting their occupancy.

6 Only planning applications involving the loss of 20 hectares or more of grade 1 or 2 agricultural land which would, in the opinion of a local authority, conflict with the aims of a structure [overall development] plan would need to be referred to the Ministry of Agriculture, Fisheries and Food. (At present local authorities must consult the Ministry on all proposed changes affecting four hectares or more of all agricultural land when such changes would diverge from the provisions of an originally agreed structure plan.)

Secretary of State's Statement

In response to questions in the House of Commons on 10 February Mr Ridley said that the circular underlined 'the continuing need for strong planning control over the countryside'. The present planning regime for the development of agricultural land was strict and the rights of planning authorities would not be taken away, although the Government was asking that applications which led to small-scale activities in the countryside should not unnecessarily be turned down. Green belts and areas of outstanding natural beauty would have as much protection as before and the only permissible developments for the green belts would be in relation to the rural community or leisure. He pointed out that during 1986, 45 per cent of all land taken for building was reclaimed derelict or waste land, already used for building in the past.

Nuclear Energy

The Government's decision to grant the planning application by the Central Electricity Generating Board (CEGB) for the construction of a nuclear power station using a pressurised water reactor (PWR) at Sizewell (Suffolk) was announced by the Secretary of State for Energy, Mr Peter Walker, on 12 March.

Government Statement

In his statement in the House of Commons (*Hansard*, Vol 112, No 71, cols 475-7), Mr Walker noted that Sir Frank Layfield, the inspector who had conducted the public inquiry into the CEGB's application, had concluded that there was a national interest in building a PWR and that this could best be met at Sizewell (see pp 65-7). The inspector had found that a new power station was required to meet anticipated capacity need, that it should be approved in the near future, and that the proposed PWR was likely to be the least-cost means of adding that capacity. Furthermore, the inspector had concluded that there was 'good confidence that Sizewell B was sufficiently safe to be tolerable and that the national need for the station overrides the local interest in favour of conservation'.

The Secretary of State said that he had carefully considered the points made in the debates in the House of Commons and the House of Lords on the inspector's report before reaching his decision.[1] He had also taken into account developments since the completion of the public inquiry in March 1985, in particular the implications of the accident at the Chernobyl nuclear power station in the Soviet Union (see pp 141-3, 1986) and recent changes in electricity demand and fossil fuel prices.

Mr Walker said that he had been advised by the Chief Inspector of Nuclear Installations that the PWR design for Sizewell B was of a different reactor type from the design of the Soviet reactors. All nuclear power stations in Britain were required to have engineered control and automatic protection systems, while the British system of regulation ensured that there was 'a proper and reliable procedural framework of controls'. Britain's experience also showed that it had 'a superior safety culture to that which apparently existed at Chernobyl'. Accordingly, the Chief Inspector had advised that the Chernobyl accident did not call for any reconsideration of the conclusions or recommendations of the Layfield report. Mr Walker said that Sir Frank had also discussed emergency plans in the event of a nuclear accident. The Prime Minister, Mrs Margaret Thatcher, had announced in December 1986 that the Government was undertaking a review of Britain's emergency plans and procedures in the event of a nuclear accident, either in Britain or overseas. The conclusion of the first stage of the review was that, although planning arrangements needed to provide more specifically for an accident outside Britain, existing emergency plans continued to provide a valid basis for the response to any nuclear accident within the country.

Turning to the economic aspects, Mr Walker said that, as economic activity had risen since the Layfield report, together with an associated growth in the demand for electricity, it was unlikely that, even if construction work started immediately, Sizewell B would be ready before it was needed. However, fossil fuel prices had fallen since 1985 and he had examined the inspector's economic case against a range of coal prices considerably lower than those discussed in the report. Even against that lower range, he had concluded that Sizewell B remained 'the cheapest option for meeting the anticipated need for new capacity'. He agreed with Sir Frank that 'the development of a further nuclear station would be a valuable step in achieving greater fuel diversity in [Britain's] generating system'.

Mr Walker said that he also agreed with Sir Frank's conclusions that Sizewell B was 'acceptably safe and would meet a national need by providing new capacity at least cost', which outweighed any disadvantage

[1]Debates on the inspector's report were held in the House of Commons on 23 February (*Hansard*, Vol 111, No 58, cols 25-112) and in the House of Lords on 2 March (*Hansard* [*HL*], Vol 485, No 48, cols 455-506).

from disturbances to the locality. He had therefore decided to give his consent to the CEGB's application for construction, although in order to minimise disturbance to the area he had decided that this should be subject to the detailed local planning conditions proposed by the inspector and should exclude the CEGB's proposal for a new access road.

Mr Walker said that he also accepted the substance of the inspector's other recommendations, a number of which would need to be followed up. In reaching his decision, he had considered very carefully Sir Frank's comments on safety. The CEGB also required a licence from the Nuclear Installations Inspectorate before it could start construction. The Chief Inspector of Nuclear Installations had informed him that the Inspectorate judged that there were 'no safety obstacles of substance which would prevent the licensing of Sizewell B in the next couple of months'. He had provided assurance that the Inspectorate would consider carefully Sir Frank's comments and proposals on the safety of the PWR before issuing a licence.

Approval for Sizewell B reinforced the importance that the Government attached to the role played by nuclear power within Britain, Mr Walker continued. It provided some 20 per cent of Britain's electricity requirements and with those stations due to be commissioned in the near future [two Advanced Gas-cooled Reactors at Heysham in Lancashire and Torness in Lothian] the proportion would rise to a quarter. It would not be possible to meet the world's energy needs in the coming decades without a substantial contribution from nuclear power; approval for Sizewell would enable Britain to play its part in that process.

Opposition Views

The chief Opposition spokesman on energy, Mr Stanley Orme, regretted the Government's decision and said that it set 'the wrong pattern for future energy requirements . . . for the next decade and beyond'. He said that Sir Frank's report was out of date, both on the economics of electricity generation and on safety, and expressed surprise that the new factors had been dismissed by the Secretary of State. He thought that there was no justification for using 'the imported technology of the PWR in Britain' and queried the decision to proceed with the PWR before the Government and the appropriate agencies had solved the problems of the disposal of nuclear waste. 'A . . . more economic and safer option would be the construction of modern and clean coal-fired power stations.'

For the Liberal Party, Mr Malcolm Bruce expressed opposition to the Government's decision and raised a number of points on safety and other aspects of the decision.

Government Response

Mr Walker said that a large number of PWRs were operating safely throughout the world, while he pointed out that 93 per cent of the work done at Sizewell would be produced in Britain by British firms. For the first time Britain would have an opportunity in the expanding PWR market. On the safety of nuclear energy he believed that it had been proved throughout the Western world that nuclear energy was 'an extremely safe form of energy' and its safety record compared very favourably with other forms of energy.

Shorter Notes

BANKING BILL

The Government made a number of amendments to the Banking Bill (see pp 388-90, 1986) during its report stage on 19 February. They include two aimed at preventing the growth of shareholdings in banks by unsuitable people, and further amendments on 'reciprocity' and the composition of the new Board of Banking Supervision which is being set up to strengthen supervisory arrangements.

The clauses relating to unsuitable shareholders have been amended to meet concern about the effectiveness of the Bank of England's powers to prevent substantial shareholdings in banks being built up by people who might be thought to be undesirable shareholders. Accordingly anyone acquiring a shareholding of 5 per cent or more would now have to inform the Bank of England of the fact, and provide any relevant information that the Bank might require. At present the requirement to inform the Bank does not come into operation until a 15 per cent shareholding (which is deemed to be a 'controlling interest') has been built up.

A second amendment strengthens the powers of the Bank to object on prudential grounds to shareholdings of 15 per cent or more, enabling it to do so with respect to existing as well as potential shareholdings. The Bank's sanctions include the freezing of voting rights and, ultimately, the divestment of the shares concerned.

Another amendment extends the reciprocity provisions contained in the Financial Services Act (see p 53, 1986). These allow the Secretary of State for Trade and Industry to prevent a financial company from a foreign country from doing business in Britain if British investment, banking and insurance companies are not given access to that company's home market on the same terms as those provided in Britain. The new provisions in the Banking Bill extend these powers so that they could be brought to bear on the would-be controllers of a bank as well as on the bank itself. The Treasury would be able to direct the Bank of England to object on reciprocity grounds to the acquisition of a controlling shareholding in a bank before it took place; and if necessary block the voting rights on the shares or require divestment. The reasoning behind the amendment is that, because a substantial part of banking business is based on short-term deposits, it is possible that a threat to impose conditions on a bank's authorisation would have adverse effects on public confidence in the institution and so be against the interests of the depositors.

The Government has not responded to calls to introduce a general power to object to bank shareholdings on national interest grounds since it already takes full account of the public interest when considering projected foreign takeovers of British companies under the Fair Trading Act 1973.

The other main amendment is aimed at strengthening the role of the Board of Banking Supervision which is to be set up to advise the Governor of the Bank of England and his senior colleagues on supervisory matters. As first proposed the Board would have had eight members, of whom five were to be independent members and the other three Bank officials (*ex officio*). The five were to have been

appointed by the Governor, with the approval of the Chancellor of the Exchequer. As amended, however, the Bill now provides for six independent members, and their appointment will be a joint matter for the Chancellor and the Governor. Furthermore, the independent members are now given a statutory entitlement to place before the Chancellor their reasons for holding a different view from the *ex officio* members, if such comes about. Formerly the Board had been required to notify the Chancellor if the Bank had decided not to follow the advice of the independent members.

Sources: *Hansard*, Vol 110, No 56, cols 1085-1149; Treasury press notices of 3.2.87 and 17.2.87.

REGULATION OF LLOYD'S

The Council of Lloyd's has responded to the recommendations on regulatory reform at Lloyd's made by a committee of inquiry set up by the Government (see pp 60-1). The committee of inquiry's terms of reference were to assess whether the protection provided for people investing their capital as Lloyd's underwriters (the 'Names') was comparable to that provided for other investors under the Financial Services Act 1986 (see pp 51-4, 1986). The committee found that there was not yet adequate protection for investors at Lloyd's and its recommendations were aimed at remedying that situation.

At a meeting on 22 January, the day the report was issued, the Council agreed to the 'core' recommendation – that working Lloyd's members (market professionals) on the Council should be reduced from 16 to 12 in number, while the number of outsiders appointed with the approval of the Governor of the Bank of England should be raised from four to eight. This would have the effect of leaving Council membership at the same number (28, including eight non-working members, or 'Names') but the influence of the market professionals would be reduced because they would no longer constitute the majority.

On 4 February the Council accepted a further 12 recommendations and will implement these as quickly as practicable. They include the establishment of a committee to look after the interest of 'Names', and provision for outsiders on the Council to chair both the new committee and existing ones on investigations, rules and discipline. The Council also agreed to set up a number of working groups to undertake the work which would be necessary to implement 'a substantial number' of the other recommendations in the report in the course of 1987. (There were some 70 recommendations in all.)

Lloyd's remains a self-regulating body and, under the Lloyd's Act 1982 (see pp 297-8, 1982), makes its own by-laws. Further legislation will not be required therefore for the reforms to proceed.

Source: Lloyd's of London press notices, 5.2.87.

ROVER GROUP CORPORATE PLAN

On 19 February the Secretary of State for Trade and Industry, Mr Paul Channon, announced the Government's approval of the Rover Group's 1987 plan, which covers the years 1987-91 and will be reviewed annually. The most significant development is the decision to merge Leyland Trucks and Freight Rover with the Dutch Daf company's truck operation. The new company will be 60 per cent owned by the Dutch firm and will use its name; the Rover Group will hold the other 40 per cent of the shares and will be represented on the new company's supervisory and management boards. It is hoped to float the company on the stock market in two to three years' time.

This decision has been taken against a background of severe overcapacity in the European truck industry after the collapse of a number of export markets. At present Leyland Trucks is losing £1·5 million a week and the Government hopes that the merger with the profitable Daf concern will safeguard the manufacture of trucks in Britain. Due to rationalisation measures, including the closure of two factories, there will be about 2,260 redundancies. Present levels of employment are expected to be maintained at the Freight Rover operation in Birmingham, which produces light vans which will be marketed in Europe through Daf's dealer network.

Daf has also announced that it is planning to invest about £150 million in the British plants of the new company over the next five years, more than half of this in van production, although it also hopes to increase its annual output of trucks in Britain by 2,000. The new company will be the largest truck producer in Britain and the fourth largest in Europe. To assist its further development the Government has agreed to write off the accumulated debts incurred by Leyland Trucks and by Leyland Bus, which was sold to a management-led consortium last year (see pp 277-8, 1986), and to cover the cost of restructuring both companies up to a total of £750 million.

Since the middle of last year the Rover Group has agreed to sell off Unipart, its spare parts division, JRA, its Australian subsidiary, and Istel, its computer offshoot, as well as Leyland Bus and Leyland Trucks. Although it retains an interest in several of these companies the Rover Group is now freer to concentrate on its volume car production business, based in Birmingham and Oxford, and on the Land Rover and Range Rover plants at Solihull. In these areas, Mr Channon said, the Rover Group was being given 'everything it asked for'. This includes the go ahead for the development of the new AR8 medium-sized car in collaboration with Honda, and for the new fuel-efficient K series engines and gearbox for Rover's smaller cars. It is further planned to launch the Range Rover in the United States later this year. Mr Channon also noted that Rover's share of the British car market had increased sharply in recent months and that it has won new orders in the fleet car sector and taken on 500 new employees.

Source: *Hansard*, Vol 110, No 56, cols 1059-60.

AGRICULTURAL DEVELOPMENT AND ADVISORY SERVICE

To reduce costs and increase efficiency, the Government has reorganised the Agricultural Development and Advisory Service (ADAS) of the Ministry of Agriculture, Fisheries and Food. ADAS informs and advises

farmers and growers on such matters as dairy husbandry, livestock, horticulture, farm management, mechanisation and agronomy; advises the Government on policy proposals; and assists in implementing policies on animal and plant health and the safeguarding of agricultural land.

Announcing the measures on 9 March, the Minister of Agriculture, Fisheries and Food, Mr Michael Jopling, said that ADAS's new board of management included members from commerce and farming and that two new arms, the farm and countryside service and the research and development service, would supersede the former agriculture, land and water, and science services. Parliament had accepted the principle that those who benefited from ADAS services should help to pay for them. From 30 March therefore ADAS would charge consultation fees. Other types of service would be offered on contract at negotiated prices and two kinds of subscription scheme would be introduced. Advice to farmers on conservation, farm business diversification and animal welfare would continue to be free.

The Government intended, said Mr Jopling, 'to build on the traditional strengths of a service which has an unrivalled store of knowledge and experience of every type of farm business throughout England and Wales, first-class research and development based on internationally recognised laboratories, experimental farms and horticulture stations, on high professional standards, and on independence from commercial interest'.

Sources. *Hansard*, Vol 112, No 69, written answers, cols 87-8; Ministry of Agriculture, Fisheries and Food press notice, 9.3.87.

LIBERALISATION OF TELECOMMUNICATIONS SERVICES

A further series of measures to liberalise the use of telecommunications in Britain was announced by the Parliamentary Under-Secretary of State for Industry, Mr John Butcher, in the House of Commons on 25 February. Mr Butcher said that the Government had now concluded consultations on the proposed licences for the running of branch systems and for the provision of value-added and data network services, and new licences were being issued.[1] Its aim had been to ensure that the liberalisation continued to develop in a way which increased the choices available to users and the opportunities for the rapidly growing telecommunications sector, consistent with its policy of not licensing anyone other than British Telecom or Mercury to run national public telecommunications networks until November 1990 at the earliest.

The branch systems general licence, first issued in 1984, covers most private domestic and business use of telecommunications, and sets out the arrangements by which private users may connect their systems to the public systems (run by British Telecom, Mercury and the City of Hull, where the city has retained its responsibilities for public telecommunications), install their own wiring and make use of private lines leased from the public operators. The new, more liberal licence features a number of changes including the provision that companies will be allowed to carry public switched network traffic over leased lines anywhere within their own group, and new rules clarifying the permitted use of international leased lines.

Government plans for a new licence to liberalise the provision of value-added and data network services were announced by the Minister of State for Industry and Information Technology, Mr Geoffrey Pattie, in March 1986 (see p 129, 1986). The licence is applicable to all operators except public telecommunications operators, and their groups or associates, and authorises the provision of value-added network services and of basic conveyance services except voice and telex services, although certain of these services would be permitted (see p 129, 1986). One of the significant changes made in the final version of the licence is to permit companies to charge within their group for the conveyance of basic voice or basic telex traffic. The public telecommunications operators will be able to provide value-added and data services under their main licences, while amendments to their licences have been published by the Director General of Telecommunications to ensure that they provide such services on an even competitive basis with other operators in the market.

Sources: *Hansard*, Vol 111, No 62, written answers, cols 295-9; Department of Trade and Industry press notice, 25.2.87.

[1]The licences are available from the Library, Office of Telecommunications, Atlantic House, Holborn Viaduct, London EC1N 2HQ.

RESEARCH EXPENDITURE REVIEW

The preliminary results of the Department of Trade and Industry's survey of expenditure on and employment in research and development (R & D) in Britain in 1985 have been published. The figures cover R & D work carried out by private industry, public corporations and research associations (some of which is government financed), but not government expenditure on its own R & D, nor on that of universities (see pp 30-1).

At £4,828·5 million total R & D expenditure was 5 per cent higher than in 1983 in real terms, although still slightly lower than the peak reached in 1981. Research expenditure was noticeably up on 1983 in most major sectors, especially in mechanical engineering (up 41 per cent) and chemicals (up 24 per cent), although electronics R & D spending fell by 10 per cent over the two-year period.

Of the total expenditure on R & D, £1,364·2 million came from government sources, £539·7 million from overseas and the balance mostly from private companies' own funds. The proportion of funding from overseas sources rose from 7 per cent in 1983 to 11 per cent in 1985.

Within the research budget, expenditure on capital items rose by about one-third compared with 1983, but remained less than 10 per cent of the total in 1985.

The most marked feature of spending on current R & D items was the declining share of salaries and wages, down from 45 per cent of all research expenditure in 1983 to 41 per cent in 1985. This is reflected in the reduction in the numbers employed in R & D from an annual average of 186,000 in 1983 to 157,000 in 1985, the decline being most evident in the number of technical, clerical and administrative support staff rather than in that of scientists and engineers.

Welcoming the results of the survey, the Secretary of State for Trade and Industry, Mr Paul Channon, said 'I am pleased to see this improvement in industry's R & D spending – it's a step in the right direction'.

The 1985 survey, the full results of which should be available in the late summer, is the first full 'benchmark' study since 1981, the 1983 figures coming from a sample survey. Starting with 1986, samples will be conducted annually, with benchmark studies being undertaken every four years, the next to cover 1989.

Source: *British business*, 27.2.87, pp 24-5.

ANGLO-JAPANESE SPACE VENTURE

On 5 February the first Anglo-Japanese space satellite was launched from the Kagoshima Space Centre in Japan. The Japanese-built ASTRO-C, recently renamed 'Ginga', carries the largest *X*-ray sensor ever launched into space. Built by Leicester University and the Rutherford-Appleton Laboratory of the S..ence and Engineering Research Council, the sensor consists of eight detectors with a total sensitive area of half a square metre.

Ginga is the only active X-ray observatory currently in orbit. Originally intended to measure very strong gravitational fields that are thought to be the products of neutron stars or massive black holes, the satellite has been repositioned since it went into orbit in order to study a supernova (the remains of an exploded star) that has been seen in the southern hemisphere. Supernovae that are near enough to be visible to the naked eye are very rare; the last occurred in 1604. Scientists hope that Ginga's sensors will tell them whether a 'black hole' (with such a great gravitational pull that it even traps light) is present at the centre of the explosion.

British funding for the mission was provided through the British National Space Centre. The Tokyo Institute of Space and Aeronautical Science and the University of Nagoya carried out Japan's share of the research programme.

Source: British National Space Centre press notice, 3.2.87.

ANTI-FOULING PAINTS

The Government's decision to ban the supply of anti-fouling paints based on tributyl tin (TBT) for use on small boats, following evidence that TBT kills or deforms a wide variety of marine life, was announced by the Minister for Environment, Countryside and Planning, Mr William Waldegrave, in the House of Commons on 24 February.

The problem of high levels of TBT is most significant where there are large numbers of small boats in shallow estuarial waters. In 1985 the Government had announced a series of measures including regulations to control the tin content of anti-fouling paints, the establishment of a water quality target concentration, a two-year monitoring and research programme, proposals for screening all new anti-fouling agents for yachts, and guidance to boat owners on the proper use of these paints. In January 1987 the Government stated that the monitoring programme for 1986 indicated that the water environmental quality target concentration for TBT had been exceeded in the majority of the estuaries being studied and that a marked improvement in 1987 seemed unlikely. Action was then announced to restrict immediately the use of TBT paints in the Norfolk Broads area, where the levels were significantly higher than the target, and regulations introduced at the end of January reduced further the organo-tin content of these paints, from 7·5 to 5·5 per cent. However, the evidence suggests that the effects of TBT can be detected at levels considerably below the environmental quality target, while research in Scotland has confirmed that salmon nets (for fish farming) treated with TBT are also causing environmental problems.

Mr Waldegrave said that, in the light of the evidence that existing controls had not been effective in reducing contamination to acceptable levels and that the existing environmental quality target had been set too high, the Government had decided that further controls were necessary. It intended to make regulations under the Control of Pollution Act 1974 as soon as possible to ban the retail sale of anti-fouling paints containing TBT, which should effectively prevent their use on small craft. The regulations would also prohibit products containing TBT being used to treat fish farm nets and cages. From 1 July 1987 all anti-fouling paints and surface coatings would be brought within the statutory pesticides approval scheme under the Food and Environment Protection Act 1985, so that no anti-fouling treatment could be sold or used unless it had been examined by the Advisory Committee on Pesticides and approved by ministers.

Sources: *Hansard*, Vol 111, No 62, written answers, cols 202-3; Department of the Environment press notice, 24.2.87.

Health Developments in Cancer Screening and AIDS Research

The Government is to set up a national breast cancer screening service and strengthen the existing system of screening for cervical cancer. It is providing £14·5 million for a new research programme into the disease AIDS (Acquired Immune Deficiency Syndrome).

Details of the new arrangements were announced in the House of Commons by the Secretary of State for Social Services, Mr Norman Fowler, on 25 February (*Hansard*, Vol 111, No 60, cols 271-82).

National Breast Cancer Screening Service

Mr Fowler said that breast cancer was the commonest form of cancer among women in Britain, with some 24,000 new cases and 15,000 deaths from the disease each year. Announcing the publication of the report of the working group on breast cancer screening,[1] which had concluded that screening by mammography – X-ray of the breasts – would make possible a reduction in deaths from breast cancer, Mr Fowler said that the Government had accepted the proposals made in the report and accordingly would implement a national breast cancer screening service. This would provide free screening every three years for all women aged between 50 and 64 throughout Britain. Speaking of the Government's determination to implement the service as efficiently, effectively and quickly as possible, Mr Fowler said that additional funds would be made available for each regional health authority to have at least one centre in operation within the next year. The funds would also enable four of these centres to provide a training facility for the whole country. A sum of £6 million would be provided in 1987-88 for the first centres whose locations would most probably be announced by May 1987.

Each regional health authority would be asked to provide plans before the end of 1987 to extend the service over the next three years to cover all women in the age groups concerned. Up to 100 centres were likely to be needed in England. Mr Fowler said that he would be setting up a committee to advise on the development of screening and to monitor its effectiveness and efficiency.

[1]*Breast Cancer Screening: Report to the Health Ministers of England, Wales, Scotland and Northern Ireland by a working group chaired by Professor Sir Patrick Forrest.* HMSO, £6·70. ISBN 0 11 321071 X.

Cervical Cancer Screening

With regard to cervical cancer, the Secretary of State spoke of the Government's commitment to reducing the number of deaths among women – some 7,000 each year – from this disease. Urgent steps had already been taken to increase the effectiveness of the existing screening programme and in particular to increase the proportion of the population at risk who were being screened. It was expected that computerised call and recall systems, enabling women to be sent personal screening invitations, usually from their own general practitioners, would be operating in 109 health authorities in England by March 1987 and in the remaining 82 authorities over the next 12 months.

The Government's first priority was to persuade more women to come forward for screening. The success of the system would be closely monitored and ways of making further improvements kept under review. Health authorities would be asked to rationalise the existing arrangements for screening women under 35 by ensuring that the call and recall system began for women at the age of 20; they would also be asked to appoint a named officer responsible and accountable for the organisation and effectiveness of screening. Mr Fowler said he was convinced that these proposals would make a substantial contribution to the cause of women's health, which was one of the Government's key priorities.

Developments in AIDS Research

Turning to the subject of AIDS research, the Secretary of State reminded the House that the Government's major public education campaign (see pp 397-9, 1986) had been mounted because there was at present no vaccine against the virus nor cure for the disease itself. The Medical Research Council (MRC) had recommended a new research programme aimed both at developing a vaccine which would prevent infection and also at new anti-viral drugs to treat people already infected. The Government welcomed the proposal which it accepted in full and would therefore be launching in 1987-88, through the MRC, a new research programme on the lines proposed. The grant-in-aid to the MRC would be increased by £14·5 million over the next three years, going up by £2·5 million in 1987-88, by £5 million in 1988-89 and by £7 million in 1989-90. The research would be directed by two scientific steering committees consisting of some of the country's leading scientists. It would have two specially appointed full-time directors and would be built up by letting specific contracts to the most

appropriate laboratory – public or private. The programme, which would not affect or hinder any research initiatives taken by pharmaceutical companies, would be part of an international research effort; it would build on the work already done, especially in the United States, and in turn contribute to the current international body of research information. While it was impossible to predict the progress of this research, the programme would place Britain in a better position to collaborate with, and benefit from, work that was being done in other countries and would increase the chances of developing a vaccine and finding a cure.

Other Measures in AIDS Control

Free Exchange of Needles and Syringes

The Government has announced its intention to establish a number of special schemes for drug misusers in different parts of Britain (see *Hansard*, 18.12.86, Vol 107, No 27, col 703). As well as providing counselling, the schemes will include the exchange of used and possibly infected needles and syringes, use of which is one of the major ways by which the AIDS virus is spread to the general population. The location and number of schemes will be decided in the light of consultations with those most concerned locally – particularly the medical profession, the police and voluntary organisations. The Government will take account of some of the projects for providing clean needles and syringes already in operation and will wish to build on at least some of these projects in carrying forward its proposal.[1]

As part of its wider programme for tackling the problem of drug misuse, the Government is to provide an additional £1 million in 1987-88 to enable drug misuse agencies to reach more drug misusers and to provide more counselling on AIDS.

Grant of Approval for Retrovir *(AZT)*

On 4 March the Government announced its approval for the use of the drug zidovudine (AZT) in the treatment of infections in patients with AIDS or AIDS-Related Complex. The drug, to be known as *Retrovir*, will be marketed by the Wellcome Foundation pharmaceutical company. *Retrovir* acts to prevent the AIDS virus from reproducing and appears to prolong life and improve the health of some AIDS sufferers. It does not, however, cure the infection nor will it protect a patient from acquiring the AIDS virus.

Computers in Schools

A database of educational resources and an extra £3·5 million with which schools can buy computer equipment are two new initiatives announced by the Department of Trade and Industry.

Database of Educational Resources

A computerised information service for schools which will enable them to find out about a wide range of teaching aids was launched by the Department of Trade and Industry on 23 February. Known as the National Educational Resources Information Service (NERIS), the database is linked to the Open University's computer and holds some educational material in its entirety. Information is presented in a standard format and the system is simple to use. Teachers will be able to find out about resource packs, worksheets, videos, computer programs and audio visual packages. More than 130 organisations have already offered material to NERIS, and it is hoped that there could be over 50,000 resources listed by the end of the first year.

Following a government initiative, every school in Britain has at least one microcomputer (see pp 76-7). The schools are now also being supplied with modems – devices which link computers to databases via telephone lines – and will thus be able to dial directly into NERIS for information. The £800,000 NERIS project is being funded by the Department of Trade and Industry until April 1988, after which it will move towards being self-financing.

Funding for Computer Equipment

On 9 March the Department of Trade and Industry announced that an extra £3·5 million would be available in the current financial year for schools to spend on computer equipment. All schools, including independent ones, will be able to add to their existing provision of microcomputers, disc drives, monitors, printers, 'turtles' (a round device that children can learn to manoeuvre about on a tray in response to commands typed into a computer), technology benches and other types of peripheral equipment. The Department's spending on educational technology projects will amount to £8·5 million in 1986-87. A total of £16·8 million was provided between 1982-83 and 1986-87 on the earlier 'Micros in Schools' (see p 143, 1984) and 'Modems in Schools' programmes. While purchases of software cannot be made with the new £3·5 million, the 'Software in Schools' scheme (see p 279, 1985) is providing £3·5 million for such purchases in the three years up to 1987-88.

The Youth Service

Youth service work with the young unemployed, those 'at risk', handicapped young people, girls and ethnic minorities is described in a paper issued by the Department of Education and Science in February which also discusses participation by young people in policy-making and the partnership between local authority youth services and voluntary youth organisations.

The youth service, which comprises a partnership between statutory authorities and voluntary agencies, promotes the personal development and social education of young people through a wide range of leisure-time activities.

The paper is an analysis of the responses by local education authorities in England to a circular asking for details of current arrangements and future plans

[1]On 3 March the Government announced its decision to make free disposable insulin syringes and needles available to diabetics on general practitioner prescription.

for various aspects of youth service provision (see p 140, 1985). Commenting upon the analysis, Mr Bob Dunn, Parliamentary Under-Secretary of State at the Department of Education and Science with special responsibility for the youth service, said on 3 February that evidence of the valuable work being done throughout the country was plain. The present task was to identify best practice and to assess where further effort could most effectively be directed.[1]

Young Unemployed

The analysis shows that high priority is placed on responding to the needs of young unemployed people through the provision of a wide range of facilities and opportunities. These include special counselling services, the provision of advice and training, involvement in the Youth Training Scheme (see p 62) and extensive liaison with other organisations. Links with the Manpower Services Commission, both generally and in relation to their provision of special vocational preparation courses for the young unemployed, are considered particularly beneficial. Some authorities describe special initiatives being taken. In one area a fieldworker for unemployment projects has been appointed with a view to creating opportunities for the unemployed in day-centres. The objective is to provide places where unemployed young people can spend the day within a setting which encourages personal development, for example through life and social skills courses. Careers officers also visit the centres and young people are able to discuss job prospects and opportunities with them. In a number of areas vocational assistance, for example computer training, is also given.

Where voluntary activity centres are not widely available authorities provide 'call-in' centres with part-time staffing and opening (three to four mornings a week) in youth and community centre premises. In one area specific sums of money have been made available to encourage voluntary organisations to open their premises during the day.

'At Risk' Groups

In responding to the needs of those young people thought to be at particular risk, a number of authorities stress the importance they attach to working in partnership with relevant specialist agencies, for example the social services, the probation service, and those involved in intermediate treatment [programmes of non-custodial activities for young people in trouble]. Authorities generally regard the role of the youth service in this context as educative and preventive rather than remedial and therefore refer young people where appropriate to other agencies where specialist provision to deal with particular problems is available.

Action to counteract drug and solvent abuse is highlighted in a number of responses. Two authorities have set up units specifically to deal with these problems, one working in liaison with an existing addiction unit and the other providing information for young people. Where authorities do not adopt specific programmes covering drug and solvent abuse staff are encouraged to attend training seminars and to co-operate with other relevant bodies.

[1]For further information on the range of youth service activities see COI reference pamphlet *The Youth Service in Britain*, No 271/86.

Counselling is recognised by several authorities as having an important role. Staff support is provided in one area for a voluntary young adults centre which aims to reach disadvantaged young people and offers counselling and support services to those affected by a wide range of personal problems including drug abuse and unwanted pregnancy. Another authority is investigating the nature and scale of problems faced by young people during adolescence, with special emphasis on drug and alcohol abuse, and on homelessness.

Young People with Disabilities

Many authorities refer specifically to concern to meet the needs of handicapped young people and to co-operation with the voluntary sector. Responses emphasise that the work undertaken is by its very nature labour intensive. Several authorities have a policy of integrating mentally and physically handicapped young people into normal youth service facilities in addition to attendance at specialist centres. Most authorities say that they provide special transport for handicapped young people. One authority refers to a current survey of the accessibility of clubs and centre buildings to wheelchairs and physically disabled young people.

A number of authorities draw attention to the strong links that they have developed with Gateway (for mentally handicapped people) and PHAB (Physically Handicapped and Able-Bodied) clubs and in some areas the clubs are encouraged to meet in authority-owned youth premises.

Girls and Young Women

Some authorities comment on their special provision for girls and young women, particularly where the aim is to encourage greater involvement in youth service activities. In one area a young women and girls' working party has been set up with the task of identifying and meeting training needs. This working party has developed contacts with other organisations and agencies and a health education officer attends regularly. Elsewhere a non-sexist and girls' working party had been established to develop a non-sexist approach to the youth service. It has produced relevant policy documents, and resource packs are being prepared for youth workers. In one area a 'working with girls resource centre' staffed by a specialist worker has been set up and in another a fieldworker has been appointed to develop work with girls. A number of authorities are providing training programmes for their workers to increase their awareness of the needs of girls and young women throughout the youth service.

Ethnic Minorities

A considerable growth in the number of ethnically based local youth organisations, many of Asian background, which receive support from the local authority youth and community services is reported. Youth and community officers make contact with these organisations with the aim of developing mutual understanding and respect. Some authorities also run special projects to meet the particular needs of both Afro-Caribbean and Asian communities. Many authorities support ethnic minority groups and young people from these groups may either attend statutory youth centres or belong to their own organisations.

A number of authorities support specific training of staff to encourage them to work towards a service

which is more accessible to ethnic minorities and the appointment of specialist and trained youth workers in many districts is said to be assisting this progress. In one area the special appointment of three black trainee youth workers is being supported through special government funds and it is hoped that these appointments will help to improve relations between communities.

Participation

The development of policies and proposals for increased participation by young people received considerable stimulus during International Youth Year (1985) when 'participation' was one of the themes. At local authority level there are opportunities on county and youth councils and on the management bodies of the local club or unit. The majority of authorities have young people as representatives on youth service sub-committees and a number of others are establishing places on, or offering trial access to, management sub-committees. In one county, for example, five young people are to be co-opted onto the youth sub-committee.

A number of responses argue that much still needs to be done to persuade and encourage young people to accept responsibility. Others comment that while young people should be encouraged to participate in decision making, the vast majority of them join youth clubs not for this purpose but for enjoyment. The benefits to be gained by young people from involvement in decision making (and in accepting the implications of those decisions) is, however, recognised. The most effective participation is seen as that which is local and stems from young people themselves rather than that which is imposed from above. A number of authorities report concern that young people's participation should not become the monopoly of the articulate or vociferous minority.

Young people are also encouraged to form youth councils with the purpose of representing their interests in the locality. At present 20 are in existence and at least six more are being formed. Several authorities had been exploring the possibility of turning their International Youth Year committees into permanent youth councils to give young people a role in decision taking. Council membership is usually two representatives from each youth group in the area with a balance between statutory and voluntary organisations. In one district each affiliated youth group and school sixth form is entitled to nominate two representatives to serve on the youth council whose aim is to provide a forum in which young people might have an opportunity to discuss matters relating to the youth service with a view to submitting reports and recommendations to the authority. The constitution of the youth service council in another area provides a three-way partnership, with young people having the same number of places as the local authority and the voluntary agencies.

Authorities report that young people are also increasingly being encouraged to take up places on club or unit management committees, and where possible, in sufficient numbers to give them the confidence to articulate their own point of view. In one county all the authority-run youth centres have young person representation on management committees and in other areas two or four members are usual.

Among activities in which young people are influentially involved are interview selection boards for youth workers and responsibility for organising residential trips for their club (including in some cases handling, and being accountable for, the funds involved).

Partnership with the Voluntary Sector

Virtually all authorities have some method of consultation with the voluntary sector on matters affecting young people or the youth service as a whole. An example in one county is a partnership and economic planning group, representative of all the major voluntary youth organisations and the statutory youth service, which meets three to four times a year to review and make recommendations on funding. Elsewhere a standing conference for youth and community organisations considers applications for grant aid and makes recommendations to further education sub-committees on the appropriate levels of grant. Where formal councils or committees do not exist, some authorities rely on face-to-face contact with voluntary groups and meetings on an informal basis. One authority argues that, in its experience, such informal arrangements are more effective in achieving the necessary level of co-operation.

There is wide recognition of the need to improve the planning and management and the resources of the youth service and to adopt a range of procedures for reviewing policy. The strengthening of working relationships between the statutory and voluntary sectors is said to have been effected through a range of co-operative bodies – mechanisms aimed at promoting partnership, the economic use of resources, and policy and special initiatives. One county has recently created a joint committee with representatives of the authority, the voluntary sector and young people which advises the education committee on policy direction and the promotion of the youth service. Many responses acknowledge the need to avoid duplication of effort and resources. While channels of communication clearly exist, it is hard to gauge to what extent these have proved effective.

Over 30 authorities report that their training programme is available for access by both the statutory and voluntary sectors and a number refer to the creation of youth service training committees or joint training panels with responsibility for training provision for both sectors. Where such committees do not exist a number of authorities organise courses which are open to the voluntary sector. Some authorities involved in co-operative arrangements express the view that joint training facilities are an important contribution to securing closer links between the two sectors.

While a substantial number of authorities provide some level of financial support for voluntary sector training, in some areas assistance is limited. Alternatively some authorities provide grants on an individual basis for attendance at residential courses. These are for such purposes as leadership training and long or short courses leading to specific qualifications. Concern is expressed at the continued absence of mandatory awards for two-year full-time courses of initial training. These, it is argued, would help to improve both the numbers and quality of those entering the profession.

Grants and grant aid are provided, in some cases annually, by many authorities to enable voluntary

organisations to cover general running costs and expenditure on training courses. As well as grant aid, support and advice is offered by county youth service training officers. Support is also given to voluntary agencies that wish to develop their own training programmes.

Resources

Many authorities express disappointment that, at a time when the problems facing young people are perceived to have increased significantly, resources available have not kept pace. This view, though not universally shared, is held despite recognition of the constraints upon public expenditure, and of the pressure upon local authorities to remain within expenditure limits. A number of authorities propose methods for generating additional resources. Some argue that, without additional resources, they will not feel able to meet the new demands upon the youth service identified in the circular, notwithstanding recognition of their importance. A number of responses also emphasise that authorities feel a duty towards provision for the mainstream of young people and that additional resources for priority areas should not be achieved at their expense.

There is general acceptance by authorities of the need to order priorities in the interests of securing the most effective use of available resources and a number of responses indicate areas where, within existing funding, new needs and opportunities can be addressed through greater efficiency and rationalisation. Many authorities identify the need to make additional resources available for the development of daytime work with unemployed young people and to expand the training of youth and community workers. In some rural areas authorities propose to increase vehicle stocks in order to improve access opportunities for young people. Closer and more coherent integration of youth and community services is seen to offer advantage and there are examples of specific smaller-scale initiatives designed to yield more effective results within the context of confined resources.

Most, though not all, authorities support the voluntary sector through grants to assist with a range of services including staffing, equipment, administration, training costs and through the direct secondment of staff and low-cost or free accommodation. There was recognition in many responses of the important role played by voluntary sector organisations and an acknowledgment of the scope for development of services which could be achieved by co-operative means. Greater support for the voluntary sector, both at national and local level, was advocated by a number of authorities.

Radio Broadcasting

Government proposals for the long-term future of radio broadcasting in Britain allow for the retention of a high-quality public service radio network serving the best interests of the community as a whole, while creating conditions for the development of a new, more lightly regulated, structure of independent national and local services.

The Government's proposals are outlined in a Green Paper[1] published on 25 February. It says that there is great scope for change in the pattern and regulation of radio services, bearing in mind that additional frequencies will become available from 1990 onwards (as a result of international agreements) and the intention to phase out simulcasting (broadcasting the same service on different wavelengths). The Government seeks to minimise regulation wherever possible and, given the present concern about the financial viability of some independent local radio stations under current regulatory arrangements, a lighter and less expensive regulatory framework is seen as being desirable for independent radio services in the future.

National Radio

The Government believes that there is a continuing need for public service broadcasting at national level, and that, therefore, the British Broadcasting Corporation should carry on providing high-quality, wide-ranging, programmes that inform, educate and entertain. It should remain for the BBC, rather than the Government, to decide how these public service broadcasting obligations are to be met, subject to the availability of resources and frequency spectrum assigned to the BBC. There should be additional national radio services provided on commercial lines so as to introduce greater diversity and the stimulus of competition; frequencies for these could be found by re-assigning two national frequencies from the BBC. The new commercial services, to be more lightly regulated than independent local stations operating at present, would not be required to fulfil all the obligations of public service broadcasting in terms of education, information and entertainment, nor would they have to be provided or transmitted by a broadcasting authority. The Government proposes that a new radio authority be set up to supervise both national and local independent services within a new statutory framework. While those mounting the new national services should be free to make their own arrangements for transmission, specifications as to coverage should be laid down.

Local Radio

The BBC should retain discretion, within the overall resources available to it, to complete its chain of local radio stations (it already has 30 in England) and to continue to provide public service broadcasting locally. Great interest has been shown in the possibility of establishing a new tier of community or special interest radio stations different in kind to existing services. The Government looks forward to the prospect of a rich diversity of services capable of meeting a broad range of consumer tastes, including those of the ethnic minorities. The new stations would be responsible for their own programming, financing and transmitting, rather than supplying services under contract to a public authority as independent local radio stations do at the moment. They should operate under the same light regulatory regime as the new national services, as should local independent stations currently in operation.

[1] *Radio: Choices and Opportunities. A Consultative Document.* Cm 92. HMSO, £5. ISBN 0 10 100922 4.

Shorter Notes

BELFAST INITIATIVES

A £28 million financial programme to improve the quality of life for people living in inner city areas in Belfast was announced on 17 February.

Known as 'The Belfast Initiatives', the programme will last for a period of three years and will consist of further Urban Development Grant investment, additional infrastructure and associated expenditure, and the setting up of action teams to identify the major needs of communities with the most problems and to co-ordinate ways of tackling them. The teams will be drawn from government departments, area boards, the Housing Executive and other public agencies; they will keep in touch with voluntary bodies and work in co-operation with local communities. Urban Development Grant is designed to stimulate significant private investment.

Since the early 1980s Belfast has been a major government priority and in 1986-87 capital expenditure by government departments in the City Council area amounts to £138 million, of which almost £100 million is being spent on housing.

Source: Northern Ireland Office press notice, 17.2.87.

MEASURES TO COMBAT FOOTBALL HOOLIGANISM

New measures to help combat football hooliganism (see pp 75-6, 1986) were announced by the Government on 23 February. The measures are outlined in an eight-point plan which reflects the continuing commitment of both the Government and the football authorities to tackle football hooliganism in the interests of public safety and the future well-being of the game.

Under the plan, all 92 Football League clubs in England and Wales will have to submit by the end of the current season detailed proposals for managing and controlling home and away supporters. They will be required to introduce club membership schemes for specific areas of their grounds before the beginning of the 1987-88 season, and an independent study will be commissioned to examine the potential benefits of a reciprocal membership scheme embracing all League clubs. The clubs and football authorities are to consider the need for all-ticket arrangements at certain matches, and grants will be made available to clubs in the Third and Fourth Divisions of the Football League for the installation of closed-circuit television. The football authorities will support and promote the development of family enclosures and other initiatives designed to establish closer links between clubs and their surrounding communities.

In recent years a range of actions have been taken to eliminate violence by football hooligans. The sale of alcohol in football grounds has been restricted and it is banned on transport to matches; in addition, it is an offence to take cans or bottles into grounds. Under the Public Order Act 1986 (see pp 33-5, 1986), courts have powers to ban convicted hooligans from matches, and a new offence of disorderly conduct has been created covering behaviour that, while not in itself violent, causes unnecessary distress to others. Possession of smoke bombs and fireworks at or on entry to a football ground is also an offence.

Source: Department of the Environment press notice, 23.2.87.

DOCUMENTATION

General

Britain in Brief. COI.

Government and Administration

Parliamentary Elections in Britain. COI, No 175/87.

Accountability of Ministers and Civil Servants. Government Response to the First Report from the Treasury and Civil Service Committee, Session 1986-87, and to the First Report from the Liaison Committee, Session 1986-87. Cm 78. HMSO, £1·60. ISBN 0 10 100782 5.

The Civil Service Year Book 1987. HMSO, £14. ISBN 0 11 430012 7.

Economic and Scientific Affairs

The Survey of Personal Incomes 1983-84. Gives figures on income tax paid and the distribution of incomes, before and after tax. Board of Inland Revenue. HMSO, £6·50. ISBN 0 11 641372 7.

Financial Statistics: Explanatory Handbook: 1987 Edition. Central Statistical Office. HMSO, £6·75. ISBN 0 11 620252 1.

Britain's Public Expenditure Plans 1987-88 to 1989-90. (Reproduced from *Survey of Current Affairs.*) COI, No 240/87.

The Government's Expenditure Plans 1987-88 to 1989-90 (see pp 56-60). Third Report from the House of Commons Treasury and Civil Service Committee, Session 1986-87. Together with the Proceedings of the Committee, Minutes of Evidence and Appendices. HMSO, £6·70. ISBN 0 10 215387 6.

The Royal Mint. COI, No 157/87.

Britain's Invisible Trade. COI, No 160/86.

Trade Unions and Their Members (see p 100). Cm 95. HMSO, £4·50. ISBN 0 10 100952 6.

Britain's Privatisation Policy. COI, No 245/87.

Efficiency of Nationalised Industries: References to the Monopolies and Mergers Commission. Fourth Report of the House of Commons Committee of Public Accounts, Session 1986-87. HMSO, £3·80. ISBN 0 10 202687 4.

Farming and Rural Enterprise (see p 102). Folder of government publications (individually obtainable; see below) which explain the Government's policies for agriculture and for encouraging enterprise and development in rural areas. Information is also given on the wide range of assistance and advice available for rural businesses. HMSO, £8·50. ISBN 0 11 242807 X.

The folder includes: *Farming UK.* Ministry of Agriculture, Fisheries and Food and Northern Ireland, Scottish and Welsh Offices. HMSO, £3·95. ISBN 0 11 242795 2.

Rural Enterprise and Development. Department of the Environment and Welsh Office. HMSO, £3·95. ISBN 0 11 751941 3.

Farm Woodland Scheme, consultation document issued by the Ministry of Agriculture, Fisheries and Food, the Agricultural Departments for Northern Ireland, Scotland and Wales, and the Forestry Commission. Available free from Ministry of Agriculture, Fisheries and Food, 3 Whitehall Place, London SW1A 2HH.

Action for Rural Enterprise, a guide to the assistance available to businesses in rural areas of England from the Government and other agencies. Available free from the Development Commission for Rural England, 11 Cowley Street, London SW1P 3NA.

Rural Scotland. Available free from Industry Department for Scotland, Room 5/107, Scottish Office, New St Andrew's House, Edinburgh EH1 3TD.

Action for Rural Enterprise in Wales. Describes support schemes applicable to rural areas in Wales. Available free from the Welsh Development Agency, Pearl House, Greyfriars Road, Cardiff CF1 3XX.

Energy Conservation: Furthering the Debate. Second report from the steering committee on energy conservation of the National Economic Development Office. Available from NEDO Books, Millbank Tower, Millbank, London SW1P 4QX. £10. ISBN 0 7292 0840 0.

Office of Gas Supply. Report of the Director-General of Gas Supply for the period 18 August to 31 December 1986 to the Secretary of State for Energy. HMSO, £3·20. ISBN 0 10 220287 7.

The Coal Industry. First Report from the House of Commons Energy Committee, Session 1986-87. Together with Minutes of Proceedings relating to the Report. HMSO, £7·20. ISBN 0 10 216587 4.

Control of Water Pollution in Britain. COI, No 228/86.

Digest of Environmental Protection and Water Statistics: No 9, 1986. Department of the Environment. HMSO, £8. ISBN 0 11 751932 4.

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Vol 1. *Report.* HMSO, £5. ISBN 0 10 490587 5.

Vol 2. *Evidence.* HMSO, £18·60. ISBN 0 10 490687 1.

The Highway Code. Revised edition. Department of Transport. HMSO, 60p. ISBN 0 11 550785 X.

Radioactive Waste Management and Radioactivity in the Environment: A Report of Research commissioned by the Department of the Environment 1984-1986. HMSO, £4·40. ISBN 0 11 751925 1.

Social and Cultural Affairs

Twelfth Report of the Standing Advisory Commission on Human Rights. Annual Report for 1985-86. Surveys human rights issues in Northern Ireland. HMSO, £9·70. ISBN 0 10 215187 3.

Tenth Annual Report of the Equal Opportunities Commission for Northern Ireland: 1 April 1985 to 31 March 1986. HMSO, £7·30. ISBN 0 10 212687 9.

Discrimination in Employment. First Report from the Employment Committee of the House of Commons, Session 1986-87. Makes recommendations to combat discrimination against ethnic minorities which it acknowledges is unwitting in many cases. It considers that wider use should be made of schemes to help suitable candidates to meet the necessary entry requirements to certain careers; that more publicity be given to the advantages to employers of following the Commission for Racial Equality's code of practice; that local authorities aim to employ a workforce that reflects the local population; and that the Civil Service should set a stronger example in its equal opportunities policies. HMSO, £3·10. ISBN 0 10 218087 3.

Report of Her Majesty's Chief Inspector of Prisons 1985. Home Office. HMSO, £3·50. ISBN 0 10 212387 X.

Breast Cancer Screening: Report to the Health Ministers of England, Wales, Scotland and Northern Ireland by a Working Group chaired by Professor Sir Patrick Forrest (see p 109). HMSO, £6·70. ISBN 0 11 321071 X.

Speeding Planning Appeals: The Handling of Inquiries Planning Appeals. Action Plan and Review. Department of the Environment. HMSO, £13·50. ISBN 0 11 751901 4.

Historic Buildings and Ancient Monuments. First Report from the House of Commons Environment Committee, Session 1986-87.

Vol 1. *Report together with Proceedings of the Committee.* HMSO, £6. ISBN 0 10 275487 X.

Vol 2. *Minutes of Evidence.* HMSO, £14·60. ISBN 0 10 272987 5.

Vol 3. *Appendices.* HMSO, £10·40. ISBN 0 10 274387 8.

What's Wrong With Walking: A Consumer Review of the Pedestrian Environment. National Consumer Council. HMSO, £4·95. ISBN 0 11 701271 8.

Radio: Choices and Opportunities. A Consultative Document (see p 113). Cm 92. HMSO, £5. ISBN 0 10 100922 4.